About the Children's Defense Fund

The Children's Defense Fund exists to provide a strong and effective voice for the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor, minority, and handicapped children. Our goal is to educate the nation about the needs of children and encourage preventive investment in children before they get sick, drop out of school, or get into trouble.

CDF is a unique organization that focuses on programs and policies that affect large numbers of children, rather than helping families on a case-by-case basis. Our staff include specialists in health, education, child welfare, mental health, child development, and adolescent pregnancy prevention. CDF gathers data and disseminates information on key issues affecting children. We monitor the development and implementation of federal and state policies. We provide information, technical assistance, and support to a network of state and local child advocates. We pursue an annual legislative agenda in the United states Congress and litigate selected cases of major importance. CDF also educates thousands of citizens annually about children's needs and responsible policy options for meeting those needs.

CDF is a national office with roots in communities across America. Although our main office is in Washington, D.C., we reach out to towns and cities across the country to monitor the effects of changes in national and state policies, and to help people and organizations who are concerned with what happens to children. CDF maintains state offices in Mississippi and Ohio and state projects in Minnesota and Texas. It has developed cooperative projects with groups in many other states. Child Watch, a national effort of the Association of Junior Leagues, CDF, and other national organizations to assess the impacts of federal and state budget decisions on children is an example of this collaborative effort.

CDF is a private organization supported wholly by foundation and corporate grants and individual donations.

Marian Wright Edelman
President

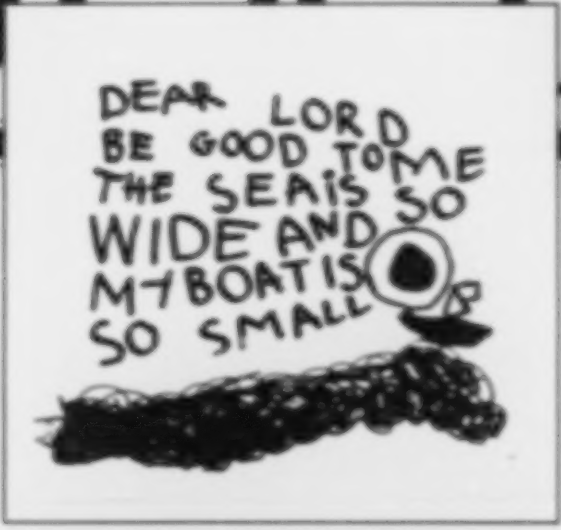
Peggy Lampl
Executive Director

Daniel Yohalem
Program Director

Children's Defense Fund 122 C Street, N.W. Washington, D.C. 20001 (202) 628-8787

R3840-2

A CHILDREN'S DEFENSE BUDGET


DEAR LORD
BE GOOD TOME
THE SEAIS SO
WIDE AND
MYBOATIS
SO SMALL

An Analysis of the President's FY 1986 Budget and Children

CHILDREN'S DEFENSE FUND

Acknowledgments

We gratefully acknowledge the tireless work of much of the CDF staff in pulling together this budget analysis. We have provided a CDF staff roster in Appendix C. Please refer specific questions to the staff person in the relevant area. Very special thanks are due Daniel Yohalem, who directed all the work on this book; Paul Smith for the overall budget research and analysis; Virginia Witt, who edited the material; and Peggy Jarvis, who coordinated production.

Our thanks also to Bob Greenstein of the Center on Budget and Policy Priorities who contributed the chapter on food assistance. Any questions about food stamps, WIC, or other programs from that chapter should be directed to him, at the Center (see Appendix C).

We also want to thank Daian Al-Amin, Pam Atwater, Roberta Barnes, Kathy Eriser, Camille Fountain, and Beverley Gallimore, for help with the manuscript; Cindy Goodson for design assistance; and Janet Simons, Daian Al-Amin, Ruth Felter, and Roberta Barnes for their hard work in producing the charts, tables, and other items in the appendices.

We would like to thank Evelyn Lieberman, director of public affairs, to whom all press inquiries should be directed.

We would like to especially thank the Norman Foundation, Inc. and the Rockefeller Family Fund for their generous support of our budget analysis project and publication of this book, and the Revson Foundation for their general support of CDF publications.

ISBN 0-938008-40-4
ISSN 0736-6701

© 1985 by the Children's Defense Fund
All Rights Reserved
Printed in the United States of America

Cover design by Sarna Marcus, Amazing Graphic Design
Word processing by Joan Masters and Sons Inc.
Printing by Goodway Graphics Inc.

This book is dedicated, in
deep gratitude and love, to
the memory of Maggie Leola
Bowen Wright. Her commitment
and service to children, her
own and others, especially
children who were poor and
without family, were the
founding spirit of CDF.

Contents

1. Some Blunt Opening Words 1
   The President's FY 1986 Budget (table) 6
2. Overview 27
   These Numbers Have Names 41
3. Youth Self-Sufficiency 43
4. Taxes and the Poor 51
   CDF Proposals Advance Tax Fairness 63
   Comparison of Selected Tax Provisions (table) 70
5. The Children's Survival Bill 71
6. Health 80
   The Uninsured Have Difficulty Obtaining Adequate Care 83
   Medicaid Coverage Limitations Block Access to Care 87
   President Reagan's Proposals for FY 1986 94
   Funding and Budget Requests FY 1981-1986 (table) 98
7. Income Support 99
   Current Programs Fail to Reach Many Vulnerable Families 101
   Family Stability Threatened by AFDC Deeming Provisions 107
   President Reagan's Proposals for FY 1986 112
   Funding and Budget Request for 1986 (table) 114
8. Food Assistance 115
   Inadequate Nutrition Is a Significant Child Health Problem 116
   Fewer Children Are Being Served by Federal Meals Programs 120
   President Reagan's Proposals for FY 1986 126
   Funding and Budget Requests for FY-1981-1986 128

9. Homeless Families and Children 129

The Homeless Are More Diverse and Numerous 131

The Underlying Factors Exacerbate the Problem 134

President Reagan's Proposals for FY 1986 139

Net Additional Households Assisted Annually (table) 140

10. Education 141

Despite Gains, the White-Minority Achievement Gap Persists 144

Need for Federal Programs 145

President Reagan's Proposals for FY 1986 152

Funding and Budget Requests for FY 1981-1986 (table) 157

11. Employment 158

Teenagers are Especially Hard Hit 159

Families with Children Face Complex Problems 162

President Reagan's Proposals for FY 1986 170

Employment Funding and Budget Requests for FY 1986 (table) 172

12. Abused and Neglected Children and Others with Special Needs 173

More Children Require Services 174

Federal Funding Shifts Over the Last Four Years 181

President Reagan's Proposals for FY 1986 184

Funding and Budget Requests for FY 1981-1986 (table) 187

13. Runaway Youth and Others in the Juvenile Justice System 189

Progress Made Under the Juvenile Justice and Prevention Act 191

Existing Programs are Not Keeping Up with the Growing Needs 193

President Reagan's Proposals for FY 1986 200

Funding and Budget Requests for FY 1981-1986 (table) 202

14. Child Care 203

Lack of Affordable Care Perpetuates Poverty 205

Federal Cutbacks Constrict State Efforts 205

President Reagan's Proposals for FY 1986 212

Funding and Budget Requests FY 1981-FY 1986 (table) 214

15. Head Start 215

Federal Funding Shifts Over the Past Four Years 217

Administrative Changes 217

President Reagan's Proposals for FY 1986 221

Funding and Budget Requests FY 1981-1986 (table) 222

16. Legal Services 223

Legal Services Program Survives Administration Attack 224

President Sidesteps Hill Confirmation for LSC Board 225

LSC Actions Hinder Representation of the Poor 226

President Reagan's Proposals for FY 1986 229

17. Civil Rights 230

Justice Department Supports Legal Efforts to Revive Segregation 232

Civil Rights Enforcement has Slackened 238

President Reagan's Proposals for FY 1986 240

18. Regulations 242

Deregulation for Some and Over-regulation for Others 242

Abuses of Regulatory Process 245

Abdication of Administrative Responsibility 247

Appendix A: Cuts in Federal Programs that Serve Children and Families 249
Selected Categorical Children's Programs 250
Major Entitlement Programs of Critical Importance to Children and Families 255
Real Outlays Per Capita for National Defense and for Programs for Low-Income Families and Children 256
Percentage of Children in Poverty 257
Median Weekly Earnings of Full-Time Workers 258
Median Family Income Among Children by Family Structure 259
States Ranked by Percentage of All Births to Women Under 20 260
States Ranked by Percentage of Births to Teens Out of Wedlock 261
Medicaid Recipient Children per 100 Children in Poverty 262
States Ranked by the Percentage of Poor Children who do not Receive Medicaid Benefits 263
U.S. Rate of Progress Toward Surgeon General's 1990 Objectives 264
States Ranked by Infant Mortality Rate 265
States Ranked by Percentage of Low Birthweight Births 266
States Ranked by Percentage of Babies Born to Women Receiving Care in the First Three Months of Pregnancy 267
AFDC Recipients Versus Number of Children in Poverty 268
States by Monthly AFDC Payments 269
AFDC Maximum Benefit and Need Standard by State 270
State Allocations for Major Education Programs 274
Number of Children Receiving Title XX Funded Child Care by State 276
Unemployment Rates 278

Appendix B: Information about Congress 279
Congressional Committees Working on Children's Issues 280
Members of Congress 288
FY 1986 Congressional Budget Timetable 295
1985 Congressional Recess Schedule 298

Appendix C: Additional Resources 299
Some Other Resource Organizations 300
Selected Publications in the Budget and the Effects of President Reagan's Policies 303
Staff of the Children's Defense Fund 310
CDF Publications 311

Look into my eyes and tell me to grow up poor

There are 13.3 million poor children in America: 8.5 million of them are white; 3.3 million children have fallen into poverty since 1979, an increase of 33 percent.

An American child has a 1 in 4 chance of being on welfare at some point in his or her lifetime. More than half of all welfare families are white. Their average benefit is $3.67 a person a day, 53 percent of the poverty level.

Over 12 million children are growing up in female-headed households: 7.2 million are white. Their poverty rate is 47 percent. 4.6 million are black. Their poverty rate is 69 percent.

A State of Maine Child Death Study conservatively estimates that 10,000 American children die each year from poverty. This compares to 8,000 child deaths from traffic fatalities, 3,000 from cancer, 1,800 from heart disease, and 1,200 from suicide. Poor children are 3 times more likely than non-poor children to die.

© 1985, Children's Defense Fund

1. Some Blunt Opening Words

> "A nation that continues year after year to spend more money on military defense than on programs of social uplift is approaching spiritual death."
>
> Martin Luther King, Jr.
> April 14, 1967
>
> "The problem in defense is how far you can go without destroying from within what you are trying to defend from without."
>
> Dwight David Eisenhower
> January 19, 1953

Poverty is the greatest child killer in 1985, affluent America. More American children die each year from poverty than from traffic fatalities and suicide combined. Twice more children die from poverty than from cancer and heart disease combined.

Yet for the fifth consecutive year, in the face of the highest child poverty rate in 18 years, President Reagan has targeted poor children and families again for billions in new budget cuts.

Under the Fiscal Year 1986 Reagan budget, children will lose $5.2 billion. By 1990, children will lose $37.6 billion in federal support. This is on top of $10 billion a year in cuts already made in survival programs for children and families since 1980.

By 1990, if Reagan administration budget priorities succeed, every American will be spending 19 percent less on poor children and families and 86 percent more on the military.

REAL OUTLAYS PER CAPITA (1985 DOLLARS) FOR NATIONAL DEFENSE AND FOR PROGRAMS FOR LOW-INCOME FAMILIES AND CHILDREN

Fiscal Year	National Defense	Programs for Low-Income Families and Children
1980	$ 762.9	$486.8
1981	805.9	488.7
1982	885.8	437.4
1983	965.0	451.9
1984	1,001.3	452.7
1985	1,063.7	459.8
1986	1,136.3	429.9
1987	1,215.4	419.2
1988	1,292.9	414.9
1989	1,353.6	402.7
1990	1,419.4	395.8
Change, FY 1980-FY 1990	+$ 656.5 + 86.1%	-$ 91 - 18.7%

Figures are in 1985 dollars. See Appendix A for additional information.

At the same time, the Reagan budget proposes a $32 billion increase in defense spending in Fiscal Year 1986 over last year. This is on top of $178.3 billion in defense increases since 1980. By Fiscal Year 1990, if the President's defense proposals are carried out, the military budget will increase by another $344.2 billion or 239 percent to make American children more "secure" from external enemies.

Children Need Defense from The Enemies Within Too

American children need defense against the domestic enemy of poverty. Over a five-year period, more American children die from poverty than the total number of American battle deaths in the Vietnam War. Yet, our national leaders dream about a multi-billion dollar "Star Wars" system to make our defenses impenetrable against enemy missiles. Why can't they dream of a smaller achievable war against child poverty - a war that saves and enhances rather than takes and threatens human life? Every poor American child could be lifted out of poverty in 1986 for less than half of the proposed defense spending increase for that year alone.

American babies need defense against preventable infant mortality and birth defects. By 1990, 22,000 American babies will die primarily because of low birthweight. We can prevent at least one in eight of these infant deaths and thousands of handicapping conditions simply by providing their mothers prenatal care. For seven percent or 25 days of the defense budget increase next year, every poor mother

How many four-pound babies does it take to balance the federal budget?

© Bruce Davidson, Magnum Photos, Inc.

- America's infants die in greater numbers than those in 12 other industrialized countries.
- Black infant mortality rates in 1982 were comparable to those of white infants in 1968. If black infants died at the same rate as white infants today, 5,598 black children would live rather than die this year.
- In 1982, almost 200,000 babies were born to mothers who had late or no prenatal care. These babies are 3 times more likely to suffer low birthweight, the greatest single cause of death and birth defects among babies in the first year of life.
- 300,000 fewer poor children are now covered by Medicaid than 6 years ago, although 3.3 million more children are poor and 2 out of 3 poor children have no regular health insurance.

and baby could be provided Medicaid, and thus prenatal care, coverage. Instead, the Reagan budget proposes to cut Medicaid again by $6 billion over the next three years, eliminate Migrant Health Centers, and cut funding for Maternal and Child Health programs. How many four-pound babies will it take to balance the federal budget?

Tens of thousands of American pre-school children need defense against preventable disease. Yet while the President plans to build 17,000 new nuclear weapons over this decade at an estimated cost of $71 billion, his budget only allows for a single month's stockpile of vaccination serum. Two million fewer children will be immunized against DPT next year because of stingy Reagan budget requests which ignore the dramatically increased costs of vaccines and the unmet need. Half of all black pre-school children are not fully immunized against DPT and polio.

American children need to be protected against increasing child abuse. Every American supports a strong defense and well defined national security goals. But don't children have a similar right to security against sexual and other abuse in day care centers and at home? An estimated 1.5 million children were reported abused and neglected in 1983, an increase of 200,000 children over the previous year. Why then is the Reagan Administration cutting funding 15 percent for the only program specifically targeted on the prevention and treatment of child abuse, providing no

THE PRESIDENT'S FY 1986 BUDGET: THE NUMBERS

	FY 1986 Current Policy (millions)	FY 1986 Proposed (millions)	Change Proposed (millions)	Change Proposed (percent)
Categorical Programs				
Compensatory Education (Title I)	$ 3,688.2	$ 3,646.6	$ - 41.6	- 1.1
Handicapped Education	1,321.3	1,306.1	- 15.2	- 1.2
Student Financial Aid	4,871.0	3,569.0	-1,302.0	- 26.7
Student Loans	3,079.5	2,714.5	- 365.0	- 11.9
Maternal/Child Health	478.0	478.0	0.0	--
Mental Health Block Grant	490.0	490.0	0.0	--
Child Welfare Services & Training	203.8	203.8	0.0	--
Child Abuse State Grants	9.0	12.0	+ 3.0	+ 33.3
Social Services Block Grant (including Community Services)	3,093.1	2,700.0	- 393.1	- 12.1
Juvenile Justice	70.2	0.0	- 70.2	-100.0
Runaway Youth	23.3	23.3	0.0	--
Head Start (excluding lunch money)	1,075.1	1,075.1	0.0	--
Energy Assistance	2,100.0	2,100.0	0.0	--
Supplemental Food (WIC)	1,500.0	1,479.8	- 20.0	- 1.3
Youth Employment	824.5	664.5	- 160.0	- 19.4
Job Corps	617.0	0.0	- 617.0	-100.0
Legal Services	305.0	0.0	- 305.0	-100.0
Entitlements				
Food Stamps	11,876.1	11,855.8	- 20.3	- 0.2
Child Nutrition	4,561.8	3,875.8	- 686.0	- 15.0
Aid for Dependent Children	8,926.2	8,806.1	- 120.1	- 1.3
Foster Care & Adoption Assistance	534.9	527.4	- 7.5	- 1.4
Medicaid	24,742.5	23,690.5	-1,052.0	- 4.3
Total	$74,390.4	$69,218.3	$ -5,172.1	- 7.0

funding for the recently enacted Family Violence Prevention and Services program, and eliminating a new $25 million child care training fund to prevent child abuse in day care centers?

American children need defense against growing homelessness. According to a 1984 Department of Housing and Urban Development (HUD) study, 22 percent of the homeless in shelters, not including runaway shelters, are children under 18. It is estimated that over 66,000 children are currently living without adequate, permanent shelter. Rather than seeking to provide decent housing and minimal income supports to help families weather unemployment and loss of shelter, the President's budget seeks to emasculate low income housing programs and to rip another $325 million hole in the tattered survival net of Aid to Families with Dependent Children (AFDC). AFDC recipients, 66 percent of whom are children, have already been cut $1.7 billion since 1980. They receive an average daily benefit of $3.67.

In sum, the Reagan Fiscal Year 1986 budget turns its back on children in need and will make their lives harder. It will push millions more children towards the ragged edge of survival or worse. It will also mortgage the future of all children. Just the military increase alone from Fiscal Year 1980 to Fiscal Year 1990 will exceed the increase in the federal debt now held by the public by several hundred billion dollars. The debts old men make now will burden young men and women for decades to come.

Slash Benefits and Raise Taxes: The Reagan Policy for the Poor - Protect Benefits and Lower Taxes: The Reagan Policy for the Rich

The new Reagan budget decimates federal programs for needy children and families. It also ignores the skyrocketing federal tax burden on the working poor while the taxes of the rich have been cut. The President proposes nothing to staunch even a little of the mammoth treasury hemorrhage caused by the tax cut of 1981 which helped the rich at the expense of the poor and contributed to the highest deficits in American history. While the President claims to want the poor to work, he has penalized their work with higher taxes. The amount of federal tax paid by those with incomes below the federal poverty line increased 58 percent from 1980 to 1982 alone.

A working single mother with three children and a below-poverty income of $10,500 paid a higher federal income and Social Security tax rate (21 percent) on a salary increase in 1984 than the wealthiest taxpayer paid on profits from the sale of stocks and bonds and real estate (20 percent). Indeed, on her $10,500 income, she paid $1,186 in taxes, more than Boeing, General Electric, Dupont, Texaco, Mobil, and A T & T altogether paid in 1983, although these huge corporations earned $13.7 billion in profits.

Today, a family of four (two parents, two children) with earned income at the 1984 poverty line of $10,613 pays $1,076 in federal taxes: 10 percent of its income. Five years ago, this same family with earnings at the 1979 poverty line paid a federal tax of less than two percent of its income. A poor single parent with three children paid $134 more or 11.4 percent in federal taxes on the same income in 1984. No other income group has suffered such an increasing tax burden during this period of time.

The President has touted the Grace Commission's recommendations for deficit reduction through social welfare program cuts. He has been silent about the fact that the the W. R. Grace Company earned $684 million profits from 1981 to 1983, paid no net federal income taxes, and received $12.5 million from the government in negative income taxes through rebates, or sales of "excess" tax benefits. If we just raised the Grace Company tax rate to zero, we could pay for nine million of the free school lunches President Reagan and the Congress cut from children. But the President proposes to cut $630 million more from child nutrition programs in Fiscal Year 1986. He is not planning to raise The Grace Company's tax rate.

The U.S. Treasury Department estimates that 15 million baseball tickets each year (one-third of the total sold) and half of all hockey tickets are subsidized through corporate tax deductions. The President has not asked the Congress to change this subsidy. Yet the estimated treasury loss, over $80 million, is enough to finance the Juvenile Justice and Delinquency Prevention program the President has asked Congress to abolish.

In his State of the Union address, the President promised to relieve the poor from federal income taxes. He said nothing about returning the poor to their tax status in 1979, when they not only paid no income taxes, but received offsets on some of their Social Security taxes. Even the half a loaf the President rhetorically offered has not been introduced. We hope that tax relief for those in poverty will not be held hostage to the Administration's vacillation over bigger tax breaks for the rich like accelerated depreciation. Millions of working poor families unable to make ends meet eagerly await the President's specific proposals and the Congress's action.

An Alternative Investment Program to Build Healthy Babies and Self Sufficient Youth: A New Children's Survival Bill

"There is no finer investment for any community than putting milk into babies."

Sir Winston Churchill

"A child is a person who is going to carry on what you have started. He is going to sit where you are sitting, and when you are gone, attend to those things which you think are important. You may adopt all the policies you please, but how they are carried out depends on him. He will assume control of your cities, states, and nations. He is going to move in and take over your churches, schools, universities and corporations. All your books are going to be judged, praised or condemned by him. The fate of humanity is in his hands."

Abraham Lincoln

Children and youth are the nation's real national security. They are also the most cost effective investment our nation can make towards assuring its future and strong democratic leadership for the rest of the world.

Two years ago, in the wake of the first Reagan budgetary tidal wave which threatened to wash away virtually all federal programs serving children and the poor, CDF decided children needed a carefully conceived positive alternative. The resulting Children's Survival Bill (CSB) was introduced in the 98th Congress with bipartisan support.* In these two years, Congress made no further cuts in any of the provisions of the Children's Survival Bill and made selective restorations of $1 billion in Fiscal Year 1984 and about $1.5 billion in Fiscal Year 1985. Congress also responded to the growing health crisis among poor mothers and children. As part of the Deficit Reduction Act of 1981, it passed the Child Health Assurance Program (CHAP) to provide basic health care to new groups of poor mothers and children, a program the Reagan Administration is doing nothing to implement.

We are deeply grateful for the support of so many in the Congress who understand the importance of investing in children and youth and who took the first steps to restore some of the $10 billion taken from children and poor families in 1981 and 1982.

---

* Representative Geraldine Ferraro and Senator Christopher Dodd were the chief co-sponsors. They were joined by 89 other co-sponsors.

We seek to build on this Congressional foundation of selective restoration and preventive investment with a revised Children's Survival Bill for the 99th Congress. Offered as a model for positive investment in America's children in the 1980s, the CSB outlines a range of specific steps to give young people skills and employment opportunities to enable them to contribute to rather than depend on the community. It seeks to expand successful programs like Head Start, WIC, child care, maternal and child health programs, and includes modest new demonstration programs to prevent teen pregnancy and school dropouts and to build self sufficient youth. Tax fairness for the poor and single parent families is a strong priority.

The total cost of CSB provisions is $14 billion. To pay for these investments in children and youth and to reduce the federal deficit, we offer alternative budget savings of about $40 billion.

In tandem with the federal legislative goals outlined in the CSB, CDF has set two other goals for immediate and long-term action by every element of American society as part of an overall strategy to alleviate child poverty and to strengthen families: The prevention of adolescent pregnancy and the reduction of infant mortality and low birthweight births which stem from lack of access to prenatal care and poverty. Specifically, we urge:

- Testing of a range of community and policymaker strategies designed to prevent teen pregnancy and build youth self sufficiency. In 1983, 525,000 babies were born to teen mothers, 10,000 to girls 14 and under. Over 300,000 of the teens who give birth annually have not completed high school. 36,000 have not completed the eighth grade. Thirty-one percent of all babies born to teens are paid for by Medicaid at an annual cost of $200 million. Sixty percent of all AFDC mothers had their first child as a teenager.

- Implementation of a massive prenatal care outreach and action campaign to reduce infant mortality, birth defects,and escalating health costs. Babies born to mothers without prenatal care are 3 times more likely to suffer low birthweight, death, and birth defects than those whose mothers received such care. Prenatal care can prevent thousands of infant deaths and defects and save millions of dollars in intensive care. For example, it cost $600 to provide a pregnant woman with complete prenatal care, including vitamins and nutritional supplements. But it may cost $20,000 to care for a premature infant just in the first 20 days of life.

Every child and youth needs hope and a sense that positive future options are available to them. Ensuring their stake in the future is at the heart of the new Children's Survival Bill. A detailed summary of the bill is included in Chapter 4.

WHAT CAN WE DO?

STEP ONE: REFLECT HARD WITHIN OURSELVES, OUR FAMILIES AND COMMUNITIES, ORGANIZATIONS, AND RELIGIOUS CONGREGATIONS ABOUT THE PERSONAL BELIEFS AND NATIONAL IDEALS WE WANT TO SEE AMERICA REFLECT. We must then try "little by little", in Dorothy Day's words, to live them and be moved to act in two arenas: In the personal arena through greater service and outreach to those around us who are more needy, and in the political arena to ensure a more just society. One without the other is not enough to transform America.

STEP TWO: BECOME INFORMED. CAREFUL HOMEWORK IS NECESSARY IF WE ARE TO PROTECT CHILDREN AND THE POOR. You will hear countless arguments from politicians and others who seek to justify unjust budget priorities. You can answer them. The most frequent arguments you will hear from others include:

Deficit reduction must be the first priority. Many in the Congress will say this, but they should convince President Reagan, Defense Secretary Casper Weinberger, and the powerful special interest beneficiaries of federal defense and tax largesse to make this their priority before sending poor, handicapped, and homeless children again to the frontlines of a deficit reduction war no one else is fighting. While we are deeply concerned with reducing the deficit and offer specific deficit reduction proposals in the Children's Survival Bill, in a democratic, affluent society, we believe that reducing infant death rates and child poverty and suffering takes precedence over reducing the deficit in 1985. Indeed, by reducing child poverty, we will be taking steps to curb long term public costs.

Programs for children and poor families must contribute like all others to reducing the federal deficit. Since 1980, we have cut federal programs for children in order to pay for defense and tax cuts disproportionately targeted to corporations and individual taxpayers who have no minor children or who do not need the tax relief to support their children. And the deficit has grown bigger and bigger. Those who have caused the deficit must cure it. Children and the poor who have been unfairly hurt by disproportionate cuts should be made whole.

A freeze is the fair approach to curbing federal spending and controlling the deficit. President Reagan is not proposing to freeze most children's programs. He's proposing to eliminate or cut them deeply - again. He's not proposing to freeze defense. He's proposing to increase it dramatically. He's not proposing to freeze the tax breaks of rich individuals or corporations. Moreover, to freeze children's programs would be to freeze in the injustice, suffering, hunger, homelessness, and abuse that previous budget cuts have caused or exacerbated. And that is not fair.

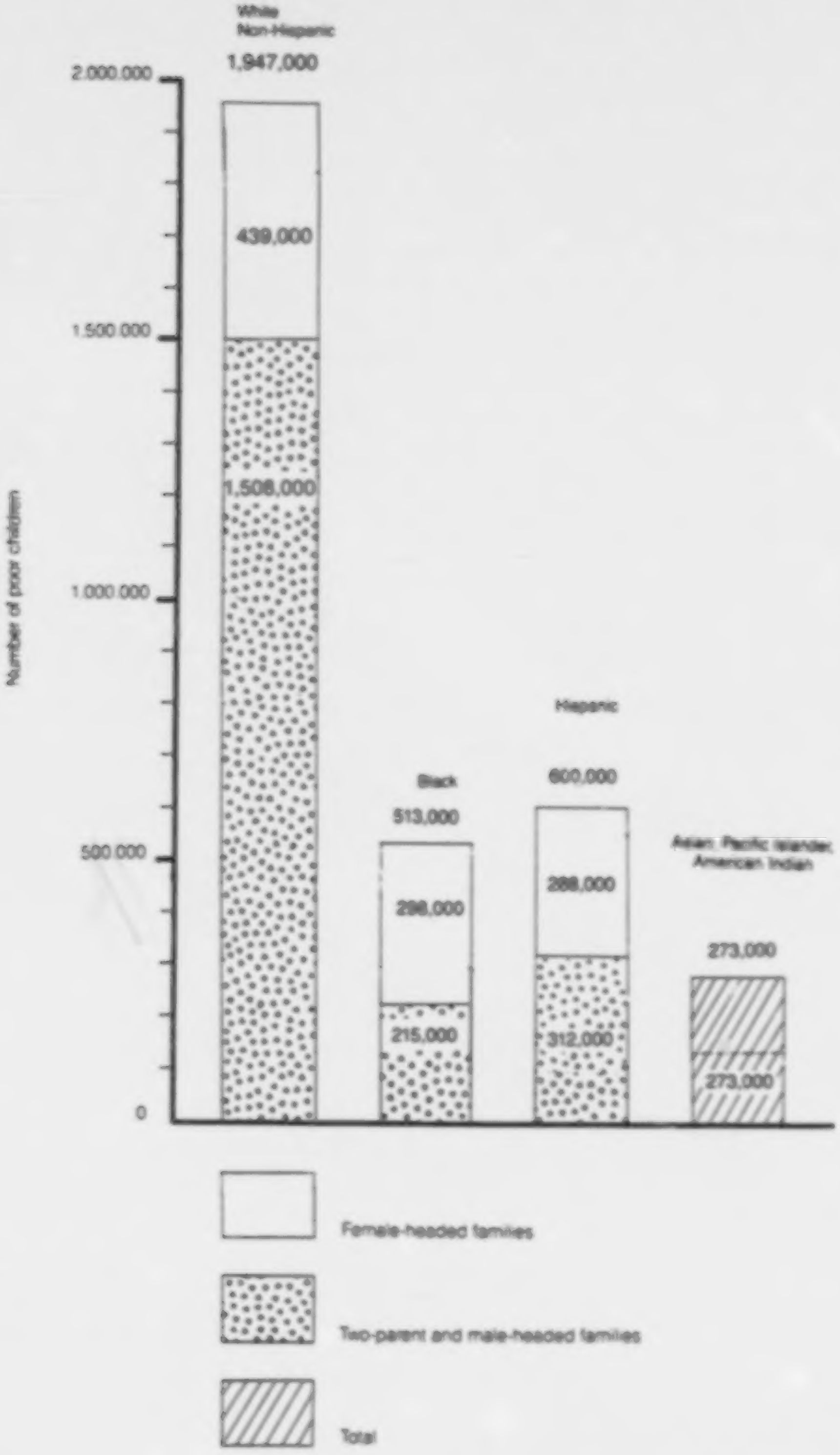
We cannot afford to increase successful children's programs as you seek in the Children's Survival Bill. Of course we can. If we can afford $3.5 billion for 48 new MX missiles, we can afford a new $100 million demonstration program to support more comprehensive school based health clinics to help keep teens from getting pregnant and dropping out of school. That's less than one MX missile.

In fact, we cannot afford not to invest adequately in children. To continue to give Head Start to only one-sixth of the eligible children, when we know that every $1 invested in Head Start will net us $7 in the long run, and $3 in the short run by reducing special education placements and grade retentions, and by freeing the parents of Head Start students to work, is poor deficit reduction policy. Yet 19,000 fewer children will receive Head Start next year or the program's quality will be reduced if Reagan budget requests prevail.

Powerful constituencies lack a stake in children's programs and won't support funding increases. Every American has a self-interest in investing in every child. The military, the private sector, and government need a strong pool of healthy, trained young people. Children, the middle aged, and the elderly need each other. Social Security and Medicare may lessen my stake in my own children's economic future, but it magnifies my stake in the economic future of all children - those who will be paying taxes to support me in my old age. The intergenerational compact is not merely between us as workers and the older generation as dependents, but between us as future retirees and all children as future workers. To protect ourselves in old age, we will need today's and tomorrow's children to be both productive and compassionate. It can only make sense then, to rebuild a sense of societal responsibility

NEWLY POOR CHILDREN
1979-1983

Today there are 13.4 million poor children in America. About 3.3 million of these children have fallen into poverty in the last three years. Who are these newly poor children?



PERCENTAGE OF CHILDREN IN POVERTY, BY FAMILY STRUCTURE AND RACE, 1959-1983

Family Structure and Year	Black	White	Total
Female headed families:	%	%	%
1959	81.6	64.6	72.2
1969	68.2	45.2	54.4
1979	63.1	38.6	48.6
1982	70.7	46.5	56.0
1983	68.5	46.9	55.4
Percentage change 1959-1979[a]	-22.7	-40.2	-32.7
Percentage change 1979-1983[a]	+ 8.6	+21.5	+14.0
Two parent and male headed families:			
1959	60.6	17.4	22.4
1969	25.0	6.7	8.6
1979	18.7	7.3	8.5
1982	24.1	11.6	13.0
1983	23.6	11.9	13.4
Percentage change 1959-1979[a]	-69.1	-58.0	-62.1
Percentage change 1979-1983[a]	+26.2	+63.0	+57.6
All families:			
1959	60.6	17.4	22.4
1969	39.6	9.7	13.8
1979	40.8	11.4	16.0
1982	47.3	16.5	21.3
1983	46.3	16.9	21.7
Percentage change 1959-1979[a]	-32.7	-34.5	-28.6
Percentage change 1979-1983[a]	+13.5	+48.2	+35.6

[a] A negative change means an improvement in the poverty situation, a positive change means a worsening.

for the nurturing of children. Those children whose parents can not support them are just as important to me economically as those whose parents can. And to preserve their economic futures - and thereby to protect mine - I must get the society to invest money now. In the year 2000 - only 15 years from now - there will be more elderly people per worker as the country becomes an increasingly aging society. Each worker's productivity and contribution becomes more important to all Americans. Those workers are now our children, one-fifth of whom start their lives in abject poverty.

Nothing Works. Millions of elderly citizens and children escaped poverty in the 1960s and 1970s. Black and white high school graduates started to enter college in equal numbers. In the 15 years before Medicaid began, black infant mortality dropped 10 percent. In the decade following Medicaid, it dropped 50 percent. Although we gave compensatory education to fewer than half of those who needed it, in the 1970s we eliminated 40 percent of the gap in reading achievement between black and white elementary school children. A million handicapped children are no longer excluded from school thanks to the Education for All Handicapped Children's Act. And millions of children escaped days of hunger because school lunches and breakfasts and food stamps were provided. These were intrinsically worthwhile investments even if they did not eliminate poverty.

Carefully targeted investment in social welfare programs for children creates long-term savings that more than offset short-term costs. Family planning services, genetic screening at birth with followup treatment for common problems, preventive care and vaccinations for children - each of these saves many times its cost.

We must educate the public about these successes, and we must demonstrate to the society as a whole the social and economic value of investing more broadly in children's futures. We do not believe that the American public will indefinitely tolerate unnecessary waste. And we are wasting lives and money and potential when five-sixths of the children needing Head Start do not get it, or when hundreds of thousands of pregnant women receive late or no prenatal care.

Growth is the answer to poverty. Economic growth is critically important to the alleviation of poverty. But economic growth alone is not enough to lift 13.3 million children from poverty. The Reagan economic recovery has been accompanied by increases rather than decreases in the ranks of the poor and unemployed. Just as liberals must pay more attention to growth and productivity issues, conservatives must pay more attention to the need for federal investment in targeted jobs and training policies for unemployed youth and adults; for child care and other support services to enable mothers to work; and for income supports for those for whom work is not available. And we must ensure that barriers of race, sex, and handicap are removed for all those who need work.

STEP THREE: HOLD YOUR SENATORS AND REPRESENTATIVES ACCOUNTABLE FOR THEIR VOTES FOR OR AGAINST CHILDREN AND THE POOR. The budget process drives the nation's priorities at home and abroad. It is our national Rorschach test. How well hungry children in Mississippi and Ethiopia will be fed, whether we will finance just or repressive regimes in Latin America, whether our nuclear arsenal will continue to grow or shrink, are affected significantly by the budget votes your Representatives will cast in your name this year. Let them know where you stand.

Each year, CDF publishes a record of how your Senators and Representatives vote on children and poor families. Please request and study it. So often politicians make flowery general speeches about supporting children while voting against specific children's needs. It is the specific votes that count. Forty-six Senators and 152 Representatives had a voting record of 50 percent or less in support of programs critical to children's well-being in 1984.

Just as it is important to study and monitor the federal budget process, it is equally important to monitor state and local budget processes on behalf of children. We hope in the future that children's advocates will conduct analyses of every governor's budget and monitor the votes of their state legislators on children.

STEP FOUR: SPEAK OUT STRONGLY FOR ENACTMENT OF THE PROVISIONS OF THE CHILDREN'S SURVIVAL BILL. It is crucial to keep an affirmative vision for children before the nation. Your voice can make an important difference in how much attention your Senator or Congressperson will pay to the CSB this year. The voice of people like you last year resulted in over a billion dollars being restored to programs for children and poor families, in the enactment of the Child Health Assurance Program, new Child Support Enforcement provisions, and the reauthorization of Head Start. Do not let others set *your* agenda for children or convince you that the money is not there or the time is not right. It is always the right time to help children.

Those who will argue that Congress should and will do nothing new for children in 1985 told us we had no chance to get *any* money back last year because it was an election year, *no* chance to avoid the deepest cuts the year before, and *no* chance to stop the total Reagan dismantlement of children's programs in his first two years. We did. And we must persist in seeking justice for children in 1985 and every year.

STEP FIVE: JOIN CDF'S NEW CHILDREN'S ACTION NETWORK AND HELP BUILD STRONGER GRASS ROOTS SUPPORT FOR CHILDREN'S

PROGRAMS IN THE CONGRESS. CDF has taken steps to strengthen the legislative voice for children in the 99th Congress through the CDF Action Council, our new lobbying arm. For $20 a year, you will receive Action Now Alerts, Voting Records, Legislative Analyses, and regular Action Network Updates.

STEP SIX: START A LOCAL PRENATAL CARE CAMPAIGN OR BEGIN A LOCAL ADOLESCENT PREGNANCY CHILD WATCH PROJECT. While we must mount an effective legislative voice for children and pursue a positive agenda to build healthy children and self sufficient youth in the Congress, we must also be taking strong community action to ensure healthy babies through prenatal care and to prevent teen pregnancy. CDF has launched a major new program initiative to prevent teen pregnancy. As part of that effort, we have prepared two publications to help you carry out local action projects: An Adolescent Pregnancy Child Watch Manual and a Comprehensive Prenatal Care Campaign Kit.

Adolescent Pregnancy Child Watch is a project to help local communities learn more about adolescent pregnancy and develop effective action agendas to prevent children from having children. Currently, 41 Child Watch projects are in process in 20 states, in collaboration with the Association of Junior Leagues, the National Council of Negro Women, the March of Dimes, and the National Coalition of 100 Black Women. We would welcome your involvement. Similarly, a Comprehensive Prenatal Care Campaign Kit is available to help you begin a prenatal care campaign in your community. It includes data on how your state ranks on teen pregnancy, infant mortality, low birthweight, prenatal care access, AFDC, and Medicaid participation levels. These two efforts are critical pieces in any effort to prevent and alleviate epidemic child and maternal poverty.

STEP SEVEN: DO NOT BE DISCOURAGED. PRAY AND FIGHT HARD FOR CHILDREN. Although we now face new ideological and budget assaults on children and family programs equal to or greater than those in the first term of the Reagan Administration, how hard and persistently we fight will determine the outcome for poor children. You do not have to have a lot of resources or education to make a difference for children. You can write one letter and get five others to do the same. You can help one hungry or homeless child in your community. The faith to move mountains is the reward of those who have moved little hills. Do not be intimidated by powerful opponents into doing nothing for children. President Eisenhower said in 1958: "What counts is not necessarily the size of the dog in the fight. It's the size of the fight in the dog."

Because children can't vote or lobby, we must fight extra hard. And we must not hesitate to take on those in high places who practice a perverted gospel of taking from poor children to give to the rich and the military. Ronald Reagan is only President. For those of us who take our guidance from a higher source, there is no cause for fear or discouragement. But our prayers will only work if we do.

STEP EIGHT: AIM HIGH. BE CONFIDENT WE CAN WIN FOR CHILDREN. How blessed we are to have such a challenging and worthwhile cause to believe in and serve. President Reagan wants to invest over $3.2 trillion dollars over this decade in the military and in new weapons of death of no use to the hungry children of this world. We want to invest $14 billion in new weapons of life: Education, health care, family support, jobs, and food. President Reagan wants to protect big corporations from federal taxes; we want to protect poor working mothers and fathers. President Reagan is trying to take away school lunches, immunizations, and health care from poor children; we are campaigning for a right to prenatal care so that every baby can have a healthy beginning. Why should we lower our goals or be intimidated by the politics of the moment?

Dr. Benjamin E. Mays, the former president of Morehouse College, in Atlanta, Georgia, summed up our mission and message: "It must be borne in mind," Dr. Mays said, "that the tragedy of life doesn't lie in not reaching your goal. The tragedy lies in having no goal to reach. It isn't a calamity to die with dreams unfulfilled, but it is a calamity not to dream. It is not a disaster to be unable to capture your ideal, but it is a disaster to have no ideal to capture. It is not a disgrace not to reach the stars, but it is a disgrace to have no stars to reach for. Not failure, but low aim, is sin."

STEP NINE: PRAY FOR NEEDY CHILDREN AND FAMILIES, FOR THE LEADERS WHO MUST DECIDE THE FATE OF SO MANY OF THEM, THAT THEIR DECISIONS MAY BE GUIDED BY FAIRNESS AND JUSTICE. PRAY ALSO THAT YOU AND I MAY HAVE THE COURAGE AND PERSISTENCE TO HOLD THEM ACCOUNTABLE.

Marian Wright Edelman
President
Children's Defense Fund

2. Overview

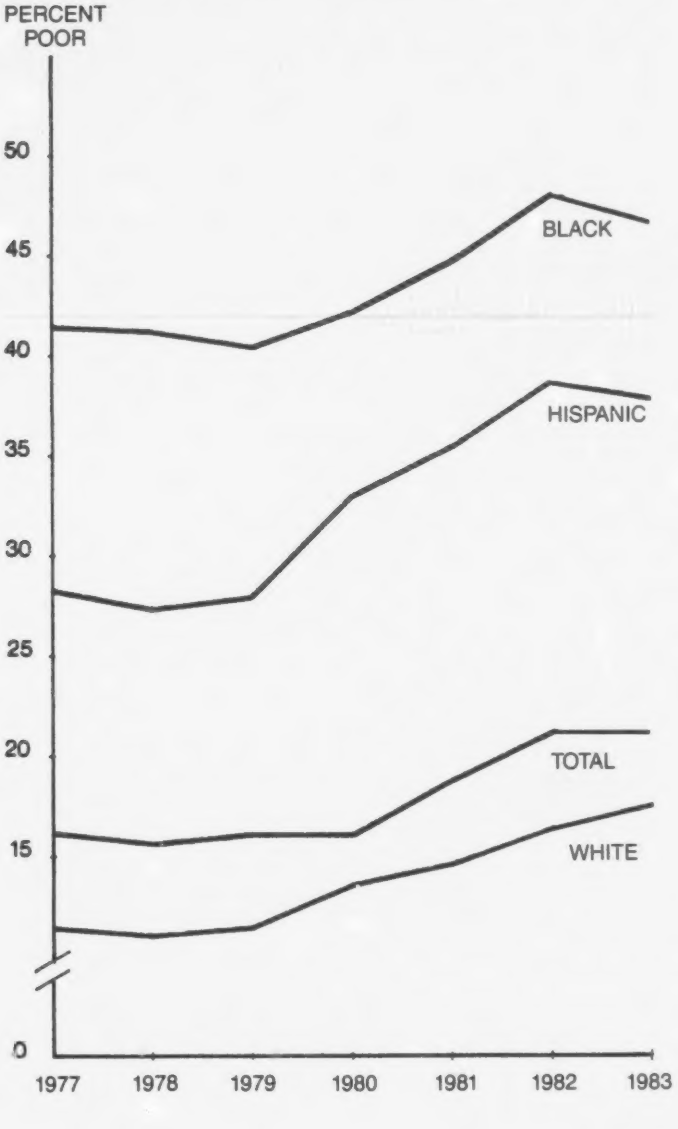
In his FY 1986 budget proposals, President Reagan again abandons many American children to deepening poverty. His cuts, "freezes" (which will result in net cuts) and elimination of key programs for children and families ignore our strongest traditions of compassion and caring.

But the President's budget is not just inhumane -- it is shortsighted and costly. It wastes the precious potential of too many of our nation's youth, a long-term price all of us will continue to pay far into the future.

Economic recession, parental unemployment, and unjust budget cuts since 1980 have taken their toll on the health, nutrition, child care, and family well-being of millions of American children. American children today are significantly poorer, more likely to suffer death and sickness, hunger and homelessness, abuse and neglect, and inadequate child care as the program chapters throughout this book illustrate.

Black children particularly are sliding backwards. Compared to five years ago, they are more likely to be born into poverty, without adequate prenatal care, to an adolescent or single mother, to an unemployed parent, to lack complete immunization before starting school, to be unemployed as a teenager, and not go to college after high school graduation. Because black children are more than twice as likely to be poor as white children, they will be disproportionately affected by the President's proposed budget cuts in programs for children and the poor.

POVERTY RATE AMONG CHILDREN, 1977-1983



Children have fallen into poverty at the rate of 2,000 a day since 1979. This 33 percent increase is the sharpest rise in child poverty since the collection of poverty statistics began. Only one-third have a chance of escaping poverty through economic recovery alone.

Executive Summary of the President's FY 1986 Budget and Children: Cuts - Round 5

For FY 1982, the Reagan administration proposed $11 billion in cuts in preventive children's and family support programs. The Congress enacted $9 billion.

For FY 1983, the Reagan administration proposed an additional $9 billion in cuts in those same programs. Congress enacted $1 billion.

For FY 1984, the Reagan administration proposed another $3.5 billion in cuts in the same programs. Congress rejected these cuts and restored $1.1 billion.

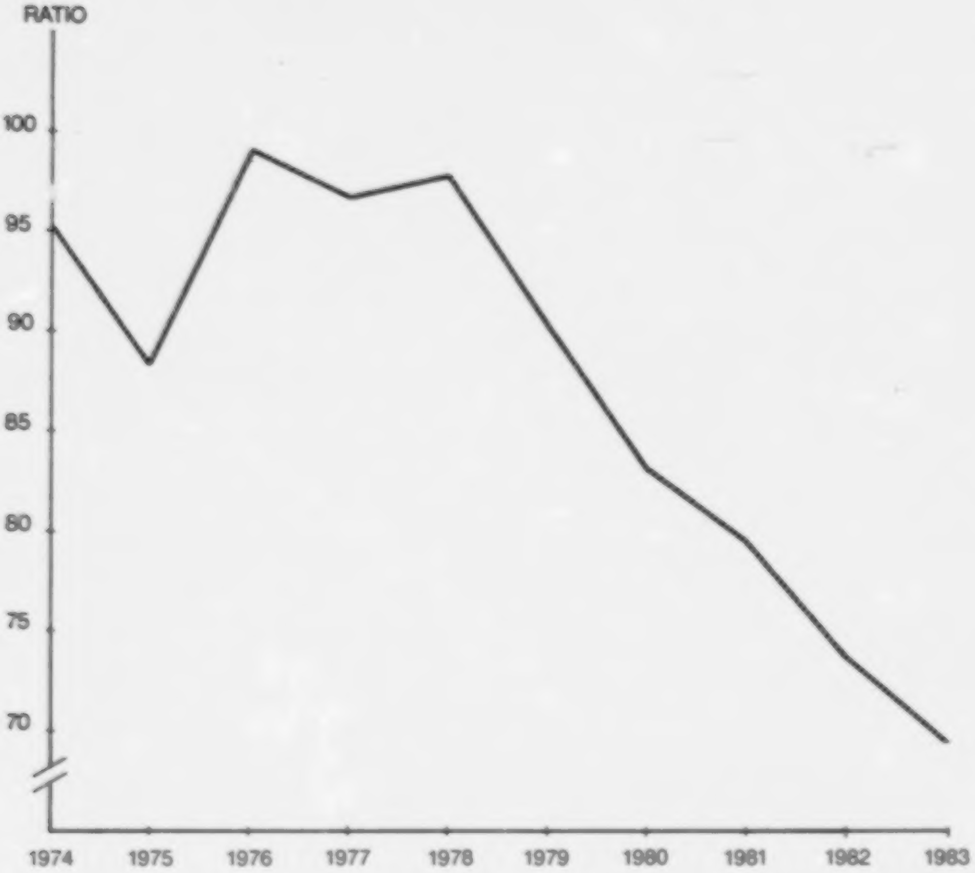
For FY 1985, the Reagan administration sought $3 billion more in cuts. Congress rejected these cuts and restored $1.5 billion.

For FY 1986, the Reagan administration now proposes $5.2 billion in cuts. These programs have still not recovered from the initial cuts and are being asked to serve many more families now due to the recession.

Between 1986 and 1990, under the new administration budget plan, children -- our poorest Americans -- will lose $37.6 billion in federal support. By 1990, each American will be spending $91 less on the needs of low-income children and families and $656.50 more on defense.

What follow are highlights of data from each chapter of this book on unmet needs of poor children and their families, juxtaposed with the President's major budget proposals affecting the federal programs targetted on those needs.

NUMBER OF CHILDREN RECEIVING AFDC PER 100 CHILDREN IN POVERTY, 1972-1983 (*calendar years*)



HEALTH

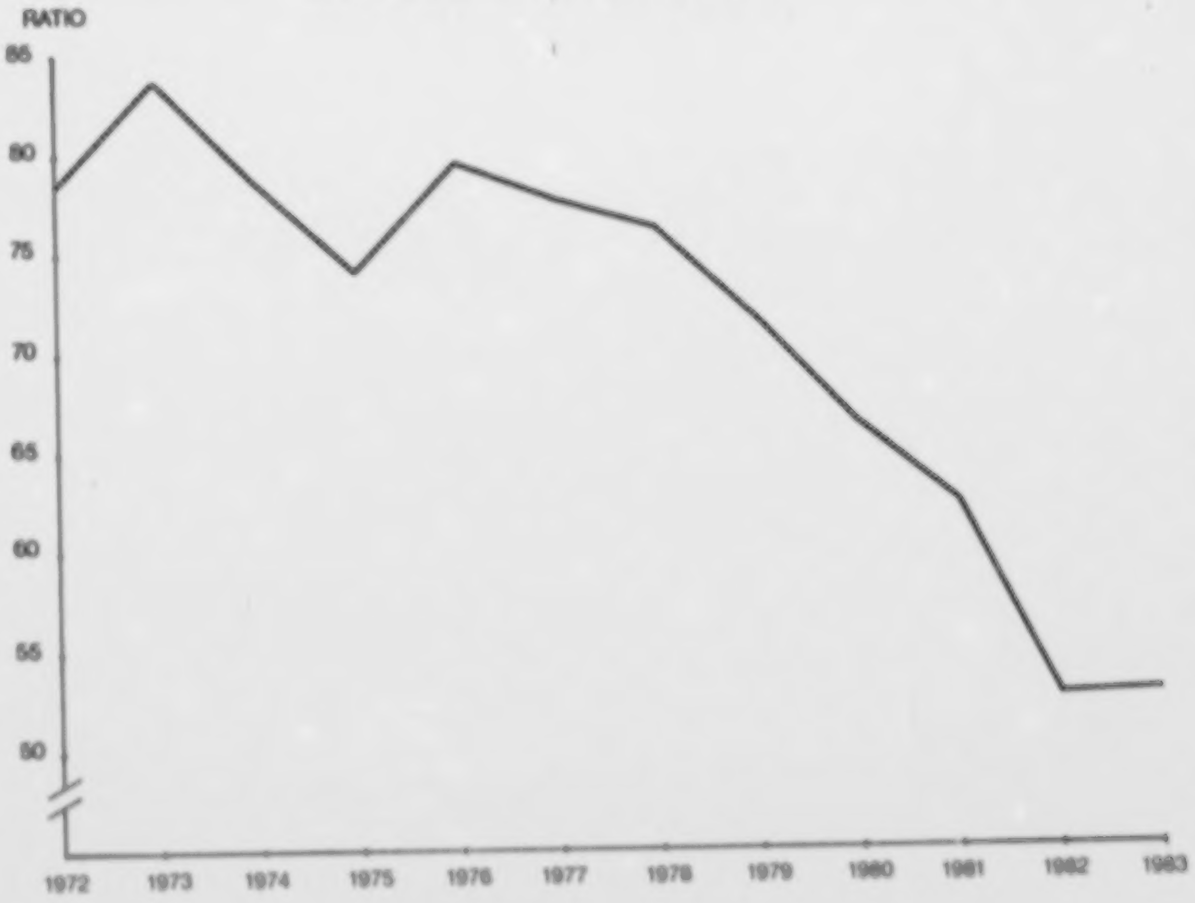
The Need

- The United States Department of Health and Human Services data show that the 1983 provisional national infant mortality rate of 10.9 deaths per 1000 live births represents only a 2.7% decline from 1982, is well below the annual average of 4.6% for the previous decade and is the second lowest decline since 1971. Provisional data for 1984 (January-June) show virtually no decline at all -- only .9% below 1983 for that period. HHS stated that these successive small declines are indicative of a slowdown in the infant mortality decline that we have not "observed since the plateau in infant mortality between 1955 and 1965."
- In 1982, one out of every 20 pregnant women and one out of every 10 pregnant black women received either no prenatal care or none until the final three months of pregnancy. Among pregnant women under the age of 20, one in nine received little prenatal care or none at all.
- Today, less than half of black preschool children are adequately immunized against diphtheria, pertussis, tetanus, and polio. One out of every three black children has never seen a dentist.
- Children are over-represented among those without health insurance. They make up 36 percent of all uninsured persons under 65. Today 11.7 million children under age 19 -- one in every six children -- has no health insurance. And one in every seven women of childbearing age -- 6.6 million women -- is uninsured. This is especially a problem for poor children, 4.3 million of whom have no health insurance while another 4.3 million are insured for only part of each year.
- Uninsured children received only 75 percent of the medical care of children in the general population.
- In 1983 Medicaid served only 70.7 children for every hundred in poverty. The number of children receiving Medicaid declined by 366,695 between FY 1982 and FY 1983.

The President's Proposal:

- Cut $1.1 billion from Medicaid in FY 1986, the most important federal health program for mothers and children. Beginning in FY 1987, federal payments would be permitted to grow only at the annual medical care inflation rate (currently 6.8 percent). Total savings would be $6 billion over three years.
- Abolish the Community Health Centers Program, the Migrant Health Centers Program, and the Family Planning Program and replace them with a block grant funded at FY 1985 levels. This represents a 7 percent cut after inflation is taken into account.

NUMBER OF CHILDREN RECEIVING MEDICAID PER 100 CHILDREN
IN POVERTY, 1974-1983 (*fiscal years*)



- Freeze funding for the Maternal and Child Health Block Grant at FY 1985 levels -- with inflation, a cut of 7%.

- Freeze childhood immunization funds at current levels. In 1983-1984, inflation rates for DPT vaccines were 99.5 percent. If this inflation rate keeps up, the annual number of children vaccinated for DPT will drop from 2.5 million in 1981, to only 450,000 in 1986. The administration's request also will only allow for less than a one month stockpile of childhood vaccines rather than the recommended 6 month's supply.

INCOME SUPPORT

The Need

- There are over 35.2 million poor people in this country today; 13.3 million of whom are children. This is 900,000 more poor people than there were in 1982. One out of every five children in America is poor, and black children are almost three times as likely as white children to be poor. Over 55 percent of the children who live in female-headed families are poor. Fully three-fourths of the growth in the poverty population between 1979 and 1983 occurred among children and adults who have dependent children in their households.

- Only 3.7 million families -- a fraction of all poor families -- are reached by the AFDC program. Over the past 10 years, as an additional 3.9 million children fell into poverty (a 41 percent increase), 800,000 fewer children (a 10 percent decline) received AFDC benefits in an average month. AFDC reaches 7 million children, only 53 percent of the nation's poor children.

- In most states, AFDC payments are so low that they fail to provide sufficient funds to meet basic human needs. The maximum AFDC benefit for a family of three in January 1985 was less than 75 percent of the poverty level in all but four states. Even the combined value of food stamps and AFDC was still less than the federal poverty level in every state except Alaska. Because AFDC benefits have not kept pace with inflation, families receiving them have lost about one-third of their purchasing power since 1970.

- Half the states do not provide AFDC to poor families when both parents are living together, even though they are unemployed and have no income. In March 1984, when economic "recovery" was in full swing, there were still almost four million children in two-parent families without an employed parent.

The President's Proposal:

- Cut an additional $325 million from the Aid to Families with Dependent Children Program (AFDC) which will hurt the 3.7 million families served by the program.
- Eliminate the $267 million Work Incentive Program (WIN), thus substantially reducing resources for training and employment opportunities for AFDC recipients. This program has helped welfare mothers to find jobs and leave the public assistance rolls.

FOOD ASSISTANCE

The Need

- The Physicians' Task Force on Hunger in America found widespread hunger during 1984 in all areas it studied, especially in Mississippi and the deep South. In February 1984 a Citizen's Commission on Hunger in New England report showed major increases in hunger in that region.
- In September 1984, a U.S. Conference of Mayors report found that requests for emergency food aid had risen in 60 of the 83 cities surveyed over the past year.
- Approximately one-third of those who are eligible for food stamps do not receive aid. From 1980 to 1984, while nearly 5 million persons were added to the ranks of the poor, food stamp participation fell. It fell to 19.8 million in September 1984, its lowest level since the spring of 1980. There were 58 persons receiving food stamps for every 100 persons in poverty, in September 1984, where the ratio had been 68 for every 100 four years before.
- The Special Supplemental Food Program for Women, Infants, and Children (WIC) is still underfunded and reaches only 3.1 million people, or about one-third of those who are eligible. Over 200 U.S. counties have no WIC program at all; many other counties maintain waiting lists and have had to turn away poor pregnant and nursing mothers and children.

The President's Proposal:

- Cut the Supplemental Food Program for Women, Infants, and Children (WIC) for the final months of the current fiscal year, FY 1985, to such an extent that 245,000 low-income pregnant women, infants, and children at nutritional risk would have to be terminated from the program this summer. Also, the proposal would inadequately fund WIC next year so that 100,000 fewer persons will be served than are currently.

- Cut $650 million from child nutrition programs on top of the $5 billion already slashed from these vital programs during the last four years. Several million additional children will lose school lunches under this proposal. Children in family day care homes will also lose the bulk of their federal child care food support.

- Impose mandatory "workfare," under which recipients must "work off" their benefits for no wages, as a part of the food stamp program. Although workfare is already an option for any state or local jurisdiction in the country, relatively few areas have implemented food stamp workfare -- and some that did later dropped it -- because this option has not proven to be cost effective.

HOMELESS

The Need

- The total number of homeless persons is now estimated at well over 300,000. The composition of the homeless population has changed significantly recently. According to a 1984 Department of Housing and Urban Development (HUD) study, 22 percent of the homeless in shelters -- not including runaway shelters -- are 18 years of age or younger. It is estimated that over 66,000 children are currently living without adequate, permanent shelter.

- In New York City, 170,000 poor families have been declared eligible and are waiting for public housing units. Their wait is estimated to be between 15 and 18 years. Those applying now for a public housing unit in Washington, D.C. can expect to move into one in approximately 10 years. In New Orleans, the wait is two to three years. Pittsburgh reports a six year wait for a public housing unit based on current turnover rates.

The President's Proposal:

- Impose a two-year moratorium on the production of additional subsidized housing units, rent vouchers, rental rehabilitation grants, and most funding for public housing. Specifically, budget authority appropriated for low-income assisted housing programs would drop from $10.8 billion in FY 1985 to less than $500 million in FY 1986. The number of additional households (or units) assisted annually would therefore drop from close to 100,000 in 1984 and 1985 to less than 6,000 in FY 1986. This contrasts sharply with the 354,413 households that were benefiting from assisted housing programs in 1977.

EDUCATION

The Need

- The overall dropout rate remains high, 15.3 percent in 1983. At that rate, more than 6 million of the 41 million children now in school will not receive a high school diploma. Almost 20 percent of black youth and 33.9 percent of Hispanics are dropping out today as opposed to 14.5 percent of whites.

- Today, a greater proportion of youth who do stay in school are repeating grades. Between 1977 and 1983, the percentage of students who repeated or were repeating a grade had grown from 17.6 percent to 22.1 percent, an increase of more than 25 percent. Black students have suffered an even steeper increase: from 23.8 percent to 30.8 percent.

- Despite the progress in reducing the achievement gap between white and minority students, the gap that remains is significant. The most recent National Assessment of Educational Progress (NAEP) tests on mathematics revealed that as a percentage of white scores, black 9 year olds averaged 77 percent, black 13 year olds averaged 76 percent, and black 17 year olds averaged 71 percent. The reading tests showed comparable disparities.

- As of 1979, the federal compensatory education program (Chapter 1, formerly Title I) reached less than half of the affected elementary school population, and very few high school students. As a result of funding cuts and legislative changes, 790,000 fewer children were being served in the 1982 school year than in the 1979 school year -- a 15 percent decline.

The President's Proposal:

- Cut all education programs by a total of $2.4 billion below FY 1985 levels. This is 16.4 percent below what it would take to maintain current services. The administration plans little growth in total education funding through 1990. At that time, President Reagan's education budget will be about 17.6 percent below its current service level.

- Freeze funding for Chapter 1 (Compensatory Education) at its FY 1985 level of $3.2 billion, cutting at least 100,000 students from this program.

- Freeze the Education for All Handicapped Children Act state grants (P.L. 94-142) at its 1985 level of $1.135 billion. This will mean that the federal contribution will continue to decline to about 7 percent as compared with its authorized level of 40 percent.

- Cut $2.3 billion in financial aid to college students, hurting the educational opportunity of many financially needy as well as middle income students. An estimated 27 percent of students in private colleges and 22 percent of students in black colleges would lose vital aid.

- Eliminate federal library assistance which allows over 8 million individuals in orphanages, mental health institutions, hospitals, prisons and programs for the blind and physically handicapped access to library services.

EMPLOYMENT

The Need

- Over 8.5 million Americans were unemployed in December 1984. An addition, 1.3 million had become discouraged and given up looking for work so they were not even counted among the officially unemployed. Further, 5.5 million Americans are under-employed, or working in part-time jobs when they would like to be working full time.

- Of the 15 states and the District of Columbia that still have unemployment rates higher than the national average, all but two -- Michigan and Oregon -- suffered from higher unemployment in August 1984, than in August 1980.

- The unemployment rates of certain groups -- blacks, Hispanics, youth, and female heads of households -- continue to soar well above 1980 rates and above the national average of 7.1 percent. In November 1984, for example, 15 percent or nearly 2 million black workers were unemployed. That same month, 10 percent of the nation's Hispanic population -- 646,000 workers -- were unemployed.

- The Bureau of Labor Statistics reported that the black teen unemployment rate during November 1984 was 40.8 percent, while the white teen rate was 14.9 percent. At the end of the third quarter of 1984, 22.5 percent of Hispanic youth were listed as unemployed. Female-headed households continue to experience higher than average unemployment, at a rate of 11 percent as of November 1984. In that month, 663,000 women who head families sought work but were unable to find it.

- There were 5.7 million children with at least one officially unemployed parent as of March 1984.

- Although the government has set a "minimum wage" standard, it has not been increased since 1981, despite the 20 percent increase in the cost of living since then. It remains at $3.35 an hour, or $6,700 per year full-time, far below the amount of money a family with children needs to live on.

- Despite its focus on youth, the Job Training Partnership Act (JTPA) is only reaching a small fraction of the young people who need it. Overall, JTPA serves about 4 percent of the eligible population.

The President's Proposal:

- Freeze funding for the Job Training Partnership Act (JTPA) state grants which, as a result of inflation, will serve fewer people than in 1984.

- Eliminate the $617 million Job Corps program, a successful training program serving disadvantaged youth.

- Cut $160 million from the Summer Youth Program: $100 million previously appropriated for FY 1985 and another $60 million in FY 1986. This is a total 20 percent cut and as a result, 170,000 fewer youths will be provided summer employment.

ABUSED AND NEGLECTED CHILDREN

The Need

- An estimated 1.5 million children were reported abused and neglected in 1983. This is an increase of 200,000 children, or over 15 percent from the year before. Forty-five states indicated increases in child abuse reports in 1983 and this number continues to rise in many states. In particular, reports of sexual abuse and severe physical abuse have increased dramatically.

- According to a 1983 survey by the National Committee for Prevention of Child Abuse, only two states were able to increase services and staff in their child protective services programs that year.

The President's Proposal:

- Freeze the Title XX Social Services Block Grant at its FY 1986 authorized level of $2.7 billion, $200 million below its FY 1981 level, and eliminate the $25 million specifically for training to respond to increasing reports of child abuse. Title XX is the major source of direct federal funding for child abuse and other essential social services.

- Freeze the Child Welfare Services Program and Child Welfare Training Program at $200 million and $4 million, respectively, and cut the federal Foster Care Program by 6 percent.

- Cut 15 percent from the Child Abuse Prevention and Treatment State Grant and Discretionary Program; and eliminate the Family Violence Prevention and Services Program and the federal program designed to encourage states to develop Children's Trust Funds.

TROUBLED YOUTH

The Need

- Nearly 1.5 million children and adolescents run away or are left homeless each year. Over one-third leave home because of physical or sexual abuse and 40 percent experience other family problems.

- Approximately 400,000 youth are charged with delinquency or status offenses (like truancy or running away). About 57,000 youth end up in juvenile training schools. Most are charged with nonviolent offenses; a relatively small number of youth account for a disproportionately large number of juvenile arrests for serious crimes.

- Using conservative estimates, fewer than 20 percent of the runaway and homeless youth in this country are being served by programs funded under the Runaway and Homeless Youth Act.

The President's Proposal:

- Eliminate the $3.9 million Child and Adolescent Service System Program which helps states coordinate services for emotionally disturbed children.

- Eliminate the Juvenile Justice and Delinquency Prevention Program, a $70 million preventive effort which helps troubled youth and avoids costly incarceration.

- Freeze the Runaway and Homeless Youth program at the same time the problems of the homeless are growing and federal runaway centers shelter only about 8 percent of all runaway youth.

CHILD CARE AND HEAD START

The Need

- Fifty-two percent of women with children under six were working in March 1984. Two-thirds of the women who worked in 1983 were single, separated, widowed, divorced or had husbands who earned less than $15,000 a year.

- A recent Census Bureau survey found that 45 percent of single mothers who are not in the labor force would work if child care were available at a reasonable cost.

- Twenty-seven states served fewer children in child care in 1984 than they did in 1981.

- Today, only 1,850 of the 6 million employers in the United States provide any child care assistance for their employees.

- Head Start is now reaching only 18 percent of those who are eligible. Although 442,100 children are served, almost 2 million more children need Head Start today.

The President's Proposal:

- Freeze the Title XX Social Services Block Grant, at $2.7 billion ($200 million below its FY 1981 level). Title XX is the major source of direct federal funding for child care. FY 1986 budget also proposes to cut Title XX training funds by $25 million and consolidate with it the Community Services Block Grant.

- Cut $110 million from the Child Care Food Program, which includes a provision to eliminate a flat payment rate for its family day care portion. This would cause many family day care providers to leave the program and lose the essential training and monitoring offered by CCFP.

- Freeze Head Start which would cause approximately 19,000 fewer children to participate in Head Start next year.

THESE NUMBERS HAVE NAMES

These budget cuts are not just numbers in an accounting book; they will have a real impact on the lives of millions of American families and children. Throughout this book are scattered the portraits of disadvantaged Americans, true stories of people who are struggling to lift themselves out of the cycle of poverty and dependence, who were helped toward self-sufficiency by the very programs which President Reagan now seeks to cut. Here are just a few examples of the kinds of situations they will encounter if the President's proposals are enacted:

- The poor woman who is about to give birth, and arrives at the hospital in labor, trusting that her Medicaid coverage will pay the costs of her delivery. But she finds that there is a problem, because her state has used up the Medicaid funds allowed under the administration's newly proposed caps. Although she is eligible for Medicaid help and urgently needs it, she won't get it -- and therefore there is no guarantee that the hospital will take her in and deliver her baby. In this totally arbitrary fashion, Medicaid claimants, whose needs happen to fall outside the administration's limits will be at risk of health damage.

- The young black child, who shows strong interest in school, but is struggling with learning problems in reading and arithmetic. Because his classroom is crowded, his teacher can't take much time to focus on him, so she refers him to the Chapter 1 compensatory education program which she knows has helped many students with special problems in the past. But due to the President's budget cuts, the program can serve fewer children, and her struggling young student is wait-listed for several years. He -- and many like him -- continue to fall further behind in school, repeating grades and often dropping out.

- The teenage young woman from a low-income city neighborhood who wants to make some summer money so she can afford to stay in school. She faces a tough challenge, since unemployment in cities and among youth remains very high. As an alternative, she looks into a program that has helped teenagers like her before: the Summer Youth Program. But, since the program's funding has been cut back, she finds that more youths are now competing for much fewer job opportunities. She, and many young teens and women like her, will be turned away.

- The desperately poor family which is now huddled in a temporary shelter and has no home anymore. For years, this family has been on a waiting list at a public housing project. But the Reagan administration cutbacks in housing programs leave thousands of poor families like this without even a hope of obtaining a permanent roof over their heads.

For these needy Americans, and for the rest of society, these shortsighted budget cuts will have very high long-term costs. Study after study show that many federal programs targeted to assist families and children out of poverty save us far more than they cost us. For example:

- We save $2 in health care in the first year of an infant's life alone for every dollar we spend providing comprehensive prenatal care to a woman who would not otherwise receive it, according to the best current estimate.
- In a large city, it costs just over half as much ($2,300) to provide special services to keep a child at home with his or her family as it does to put the child in a foster home.
- It costs $3,000 for a child to repeat a grade, as compared to an approximate annual cost of $625 per child to provide compensatory education services to help children so they won't fall behind.

Poverty doesn't come cheap. These and other examples prove neglect costs far more than prevention. Cutting and freezing programs for children, as the President proposes, is foolish public policy. Reductions in programs for children are not cost effective. They may represent short-term savings, but are likely to be more than offset by the long-term costs of children who grow up to be chronically ill adults, inadequately educated and trained workers, or juvenile and adult lawbreakers. Our society can pay now to help all children stay healthy and well nourished, in school, and a part of stable families. Or we can pay much more later. The choice is clear, as the following chapters document in detail.

3. Youth Self-Sufficiency

"Every society must somehow solve the problem of transforming children into adults, for its very survival depends on that solution."

-- Report of the Panel on Youth
The President's Science Advisory Committee, 1974

In their progress toward adulthood, most American youth follow a well-established sequence of steps. They finish their schooling, settle into a job, marry, and begin raising a family. This maturation process depends on an unwritten social contract with children, their families, and society.

Under this contract, society provides education, training, and jobs to children and the families that raise them. Society receives a return on this investment when these children reach adulthood and become the workers and parents who support society's schools and other essential services and keep the economy strong.

The timing of this social maturation process has changed as the nation has changed from an agrarian society to an increasingly technological one. At the turn of the century, youth had generally finished school by the onset of physical maturity and had families by their late teens. But by the 1940s, this process was stretching for youth into their early twenties.

There is a growing tension today between our children's physical maturation which occurs earlier and earlier, and their social maturation, which continues to be slow. Half of all young adults are still in school at age 19 and only half have entered the labor force as non-students at 20. Half are still unmarried at 24 and half of the women 25 and under have yet to bear their first child.

Because of the emphasis on secondary education, changes in the job market, and other complex factors, most children growing up today take more time to achieve self-sufficiency than they did fifty years ago. The vast majority of young people no longer leave family and school and begin the process of growing into adulthood. They now stay within these confines until the work place is ready to take them in as fully trained adults.

For some of our youth, however, primarily those from low-income or minority American families, this orderly sequence of maturation is disrupted. They are dropping out of school only to find that there are no jobs for them and beginning families as teenagers, only to find they cannot support them.

Today there is:

- one dropout for every five high school graduates,
- one 18- to 24-year-old dropout for every two youths who are enrolled in college,
- one youth actively looking for work and unable to find it for every four who have jobs,
- one 25- to 29-year old who had her first child before she was 18 for each woman that age who had her first child after she was 25,
- one birth to an unmarried teenager for every four births to married 25- to 29 year olds.

Far too many of these young people end up lacking the information, skills, and experience they need to function as self-sufficient contributors to the national weal. Predictably, they cannot sustain their end of the social contract.

The costs of this breach -- both to the youths and to society -- are very high. High school dropouts suffer an unemployment rate that is 67 percent higher than that for youth who complete school. Those who do find jobs have incomes that are only 80 percent of those earned by youth with advanced degrees. Young female-headed families are five times as likely to be poor as are young two-parent families.

Why do some of our children end up in poverty? Is it their own fault? Are they the losers: children who do not care, cannot cope, for whom failure is inevitable?

Or are they the children whose parents could not afford to give them adequate health care or schooling? Are they the ones who noticed that their fathers, older brothers, and sisters were the first to be laid off and that even their friends with diplomas could not find jobs?

The origins of these problems are complicated. Personal factors -- such as the quality of family support and schooling -- play a major role in many cases. But the recent data on youth suggests that larger racial, sexual, and economic factors are still undermining society's contract with these youth.

- Almost twice as many black high school dropouts are unemployed as white dropouts.
- Black college graduates have about the same chance of being unemployed as white high school dropouts. In 1982, 24 percent of all black college graduates were unemployed: three times the rate for white college graduates. Moreover, black males with college degrees earn only 63 percent of the incomes of white males with college degrees.
- Almost half of all young female dropouts are unemployed compared to the 29 percent young male dropouts. The median income of females who lack high school credentials is about $10,000; the median income for male high school dropouts is about $17,000.
- Roughly twenty percent of female high school graduates hold service positions like waitressing, and over one-quarter of black women "householders" with some college education live below poverty. Female college graduates have a median income of about $17,600, which is just slightly higher than the median income of white male high school dropouts. White male college graduates have a median income of $28,700.

Studies of two problem-ridden groups of teenagers, dropouts and teenaged mothers, show the impact of these societal factors. When society cuts short these youth's expectations, it interrupts their progress toward self-sufficiency. Children with potential turn into teenagers with problems.

High school dropouts cannot simply be disregarded as children who were destined to fail. In fact, their potential spans a wide spectrum. Some do have very serious learning problems, and some have fallen seriously behind their peers. But, recent studies show that a considerable number of dropouts are above-average students, keenly aware of the contradictions between their academic learning and living experiences, and aware of the race-class-gender discrimination in school and the labor force. When they are given a better opportunity and bussed to more affluent schools with higher teacher expectations, minority students have shown to be less likely to drop out.

Research concurs that similarly complex factors contribute to today's high number of single, black teenage mothers. The vast majority of black teen pregnancies, like white teen pregnancies, are unintended. Yet, while black unmarried 15- to 17-year old women are more sexually active than whites (54 percent vs. 32 percent), they are two and one-half times as likely to become pregnant, three and one-half times as likely to give birth, and five and one-half times as likely to give birth as single parents. What explains these differences?

Some suggest that many teenage women become pregnant in order to qualify for welfare, but research refutes this. Another possible reason -- many teenagers' lack of knowledge and understanding about pregnancy prevention -- tells only part of the story. Far more important, many young women, especially black young women, lack the one major motive to avoid pregnancy: a sense that becoming pregnant would significantly decrease their options for the future.

To decide to marry once pregnant, a young woman needs to believe that marriage will significantly enhance her future. Specifically, a pregnant young woman must believe that her child will be better cared for if she marries. But statistics indicate that fewer and fewer young black women have this belief.

Among black 15 to 17 year olds who were pregnant in the late 1940s, 27 percent married before the birth of their child. Among those pregnant in the late 1970s, only 5 percent married before the birth. Black 18 and 19 year olds show a similar trend. Over 86 percent of the babies born to black teens in 1982 were out of wedlock. In 1950 the figure was 36 percent.

Recent research refutes that black teenage mothers refrain from marrying to qualify for welfare. A careful look at employment statistics for young black males suggests a more likely reason: that their husbands would not be able to find work. In 1954, 78 percent of all white males aged 20 to 24 were employed compared to 76 percent of all black males. Today, 78 percent of white males this age are employed but the black rate has dropped to 55 percent. The pattern is similar among 16 to 19 year olds but the percentages are about 25 points lower. In 1954, 50 percent of white males and 53 percent of black males were employed; in 1984, the figures were 47 percent and 23 percent.

The millions of young men and women who truncate their educations by leaving high school or truncate their adolescence by bearing children do not carefully weigh these decisions because, in general, they do not see a better alternative. By the time they reach adolescence, their motivating force to improve their lives -- their sense of themselves and their personal expectations -- has been seriously damaged. It is is often at this point -- the point at which their problems become costly -- that society steps in, and attempts to correct this damage and turn these troubled youths into self-sufficient adults. At this point, societal intervention is always costly, and often too late.

The only effective way to help youths become self-sufficient adults is to build toward that goal, step by step. Starting before they are born, society has to assist these children's families and communities in preparing to help them develop and grow. We have to make the schools responsible for teaching them, and we have to make the higher educational, vocational, and employment opportunities that we promise them truly available. Specifically, we have to attempt to ensure each child three things: a sound beginning, a good education, and a sense of their place in the world.

First, children need to be ensured the things that will give them the basic ability -- physical, emotional, intellectual, social -- to succeed. They need to be born healthy, which means that their mothers need early and continuous prenatal care. They need to come home to an environment that will protect and stimulate them and will provide them with caring, consistent caretakers. They need to be watched carefully as they develop so that problems can be diagnosed and treated early. Every child needs these elements for a sound beginning.

Second, children need to learn. They need to master the basics of reading, writing, and mathematics, but they need to do this in a way that fuels rather than dampens their desire to use knowledge. Children need to be exposed to ideas, people, options. They need to learn to ask good questions and to expect that they can find and understand the answers. They need to learn about careers and receive first-hand work experience. This is all part of the good, broad education essential for children.

Third, children need self-esteem. They need to feel valued and valuable. They need to feel that they will be successful at whatever they try. They need a sense of responsibility. They need to feel in control of their lives. They need to feel that they have opportunities and options for their lives, which gives them a sense of their place in the world.

In the best of all possible worlds, each child would automatically receive these three essential building blocks of self-sufficiency. Ideally, every American child would grow up in a secure family, living in a community which offers good schools and varied recreational activities, surrounded by able and motivated peers, with access to a network of adults who work in the occupational world to which he or she aspires.

But millions of American children grow up far from this ideal world. Without these three building blocks, most of these children never achieve self-sufficiency. Certainly, there are always the exceptions -- the student who, despite an inferior high school education, received a college scholarship, studied medicine and became a physician. But for each exception, there are a dozen more needy youngsters who comprise the norm rule.

We cannot replicate the ideal world for every disadvantaged child. First, many families are simply incapable of providing their children with all the support they need. Raising a child is an increasingly expensive investment. According to a recent study, middle-class families in this country are now spending $94,000 -- or about $5,000 a year -- to raise each child through age 18, a sum which does not include skyrocketing costs of college. But 13 million poor American children live in families who could not match this expenditure even if they allotted their entire incomes to their children.

Second, poor children attend schools that frequently do not have the resources to teach them properly. As the National Coalition of Advocates for Students noted in a recent report, "Schools in the poorest districts... have the least amount of money available for implementing the programs needed to improve the quality of education." As a result, poor children generally end up in overcrowded classrooms where they receive less attention from their teachers than the more affluent students would where they are not expected to perform as well.

However, the public and private sectors working together can compensate for some of the early disadvantages of these children. They can ensure that all children receive the basic supports they need to move out of poverty toward self-sufficiency. In this long-term, complicated process, there are roles for families, communities, and government at all levels.

The facts in this book show, again and again, that the private and public resources at the state and local levels are not stretching far enough to meet the needs of all of America's poor children. History demonstrates that as long as this gap exists, it is essential for the federal government to step in and provide leadership to fill it. Nothing proves this point more clearly than the grim results of the 1980-82 budget cuts, as documented throughout these pages. Where the federal government has indiscriminately reneged on programs targeted to assist poor families and children the problems of hunger, abuse, sickness, dependency, and neglect have multiplied at an ever-increasing cost to society.

Meeting this federal challenge is a complex, difficult task: one that demands taking a long, hard look at programs and making tough, pragmatic decisions. If we examine federal anti-poverty programs over the last 30 years, we see some failures but we also see many successes: solid, lasting gains in such areas as maternal and child health, nutrition, compensatory education, and minority access to higher education.

In many cases, the government has set up programs which have promise, but has failed to follow through sufficiently to see the rewards. The programs either do not serve all who are eligible, do not provide enough to those who are, or do not last long enough to make a difference:

- Head Start is one example. Evidence gathered over the last 20 years shows that investment in this motivational program for disadvantaged youngsters pays off significantly. Although this comprehensive program is successful, its funders now balk at the per-client price tag, and offer it to only 18 percent of the children who need it.

- Aid to Families with Dependent Children is another. Government acknowledges the pervasiveness of child poverty, defines a fairly large target population for this assistance program, then balks at the total bill and sets the per-client payments so low that the program still leaves those on it without the means to survive. In addition, only 53 percent of the nation's poor children receive AFDC benefits.

- Job Training and Jobs is a third. The government developed a job training program to help solve the youth unemployment problem, but then underfunds the program so that it reaches only four percent of those who need it and for such a short duration that the training is inadequate. The government fails to provide supportive services such as child care, without which many poor young women cannot participate at all. Public and private sectors also fail to provide jobs for those who are trained by the program.

A realistic effort to build youth self-sufficiency means a solid commitment to federal programs that do work. It means learning from our successes, as well as our failures, and putting those lessons into practice in designing and effective national agenda for children. The Children's Survival Bill, a legislative proposal for the 99th Congress represents significant steps in this direction.

Government cannot be expected to shoulder this responsibility alone. But effective, targeted federal programs can enable youth, their families, and their communities to take on the challenge of becoming self-sufficient.

We simply cannot afford the alternative: millions of children who become adults without learning how to take care of themselves. The societal costs of this failure -- as shown in this report -- are even more egregious because we know how to avert them.

4. Taxes and the Poor

Jane Doe is a single mother with three children. In 1979 her income from her job was $8,000, a little above the federal poverty line. Since Jane, like most other low-income workers, had no unusual tax deductions or tax "breaks," her federal income and Social Security taxes were $481, leaving her family an after-tax income just above the official poverty line.

From 1979 to 1984, inflation increased the cost of living by 43.2 percent. The poverty line also, of course, rose at the same rate. Despite the recession, Jane kept her job and was lucky to get salary increases equal to the cost-of-living change. By 1984, her salary was $11,456.

Despite her good fortune, Jane lost ground because her taxes have skyrocketed. In 1984, her federal taxes were $1,383 on her $11,456 income. While Jane's salary went up 43.2 percent, her taxes nearly tripled from 1979 levels. Now, despite her raises, her income after taxes is below the poverty line. Increases in her federal taxes have literally impoverished Jane and her children.

Jane's taxes -- and those of millions of other low-income families -- went way up from 1979 to 1984, even though in 1981 Congress passed the largest tax cut in the history of the country. The tax cut went mostly to corporations and well-to-do individuals. While the rich pay less, the poor pay more than in 1979.

Many times, the poor pay taxes at a higher rate than do the rich. If Jane Doe gets a salary increase in 1985, 21 percent of it will go to federal Social Security and income taxes. The wealthiest taxpayers in the country pay a lower federal tax rate on the profits they make on selling stocks, bonds, and real estate. The maximum federal tax rate on such "long-term capital gains" is 20 percent -- 1 percent less than Jane Doe must pay.

Some huge profit-making corporations not only pay no income taxes but get tax payments from the government. Their tax rates are negative. In 1983, for example, Boeing, DuPont, General Electric, and Texaco together earned $3.890 billion in profits. The four companies paid no federal income taxes. They received $321 million

> from the federal government in negative income taxes through rebates and sales of "excess" tax breaks. To generate this amount of corporate tax grants, 232,104 families like Jane Doe's -- nearly a million women and children -- had to pay taxes so high that they fell into poverty. This income redistribution occurred even though the four corporations' profits were significantly greater than the total income of the 232,104 families.

More and More Poor Are Paying Larger and Larger Taxes

There are many myths surrounding the poor in this country. One is that the poor pay little or no taxes. This is incorrect. Individuals and families with incomes below, equal to, or a little above the official poverty line are paying significant and increasing shares of their meager incomes in taxes. Despite the massive tax cut passed in 1981, the aggregate federal taxes paid by poor families increased 58 percent from 1980 to 1982. Taxes on the working poor have skyrocketed, while taxes on the wealthy and on profitable corporations have declined dramatically.

Today, tax policy is the focus of national political and congressional debate. The current federal tax system is being reexamined for two main reasons: first because it produces insufficient revenues to reduce dangerously high budget deficits, and second because it is widely viewed as overly complex, economically inefficient, and basically unfair.

While the federal income tax is the most progressive of America's major tax systems, it has become drastically less progressive in recent years. At the same time, there have been major increases in more regressive taxes such as Social Security and state taxes. As a result, according to Joseph Pechman of the Brookings Institution, the total federal, state, and local taxes paid by the poorest one-tenth of the population rose from 16.8 percent of their income in 1966 to an estimated 21.9 percent in 1985. At the same time, for the wealthiest tenth of America, total taxes dropped from 30.1 percent to 25.3 percent (and for the richest 1 percent of the population, from 39.6 percent to 25.5 percent). Over two decades 75 percent of the tax rate difference between the richest and poorest tenths disappeared -- making progressivity in the tax system as a whole virtually an illusion.

One of tax system's most glaring inequities is the increasing burden on those least able to pay: the poor or near-poor, especially large families or those headed by a single parent. The growing tax burden is yet another obstacle in these families' uphill struggle to be self-sufficient and meet the needs of their children.

While some poor families have little or no earned income on which to pay Social Security and income taxes, many do. In fact, nearly half of all poor single mothers with children and three-quarters of all other poor families attempt to support their families with wages. In 1982, millions of these poor families paid federal taxes on their poverty-level earnings.

Families living just above the poverty line are in a similar situation. Many of them are headed by single women. The median income for all single women maintaining families was $11,484 in 1982, just slightly above the poverty line.

Even reliance on the poverty line which the Joint Tax Committee set at $10,613 for a family of four in 1984 as a measure of real disposable income is misleading. It does not assume payment of any taxes. Census Bureau data reveal that if poverty estimates were based on after-tax income, the number of persons in poverty would have increased by 3.2 million in 1982 (from 34.4 to 37.6 million persons) and many families already in poverty would be seen to have even lower incomes.

This problem has been growing worse. Between 1980 and 1982, for example, the number of persons in poverty paying federal income tax more than doubled. (This increasing tax burden coincides with the harsh budget cuts imposed on vital programs which serve the very same group.)

From 1975 to 1980 the income tax threshold -- the income level above which a family begins to owe federal income taxes -- was higher than the poverty line. Poor families paid no income taxes.

But, in 1981, the tax threshold dropped below the poverty line and has dropped further in the past four years. A married couple with two children whose income was 83 percent or more of the poverty level had to pay income taxes in 1984. Moreover, poor people pay Social Security tax on all earned income, no matter how small.

The poor are therefore paying a significant and growing portion of their income in taxes. Most low-income working families earning poverty level wages will pay approximately 9 to 12 percent of their income in federal Social Security and income taxes in 1984. For example, a family of four (two parents and two children) with earned income at the 1984 poverty line of $10,613 will pay $1,076 in combined federal income and Social Security taxes, or 10.1 percent of its income. Only five years ago, this same family with earnings at the 1979 poverty line paid no income tax at all and a Social Security tax of less than 2 percent of its income. Its combined federal tax burden as a percentage of income quintupled during this period. No other income group has suffered such an increasing tax burden during this period of time.

Among poor families, single-parent families and larger families bear even greater federal tax burdens, which have also increased dramatically since 1979. In 1984, a family of four, composed of a single working parent and three children with the same poverty line income as the two-parent family described above, had a tax burden of approximately $1,210. This amounts to 11.4 percent of its income and is $134 greater than the family of four. Similarly, for a two-parent family of six, taxes last year were $1,523, or 10.7 percent of a poverty level income.

Current Tax Policies Favor Large and Profitable Corporations

During the 1950s and 1960s American corporations paid about one-quarter of all federal taxes. Their contribution had dropped to 6.2 percent of federal revenues by 1983. Much of this reduction was due to new corporate tax loopholes added in the 1960s and 1970s. But the fastest drop occurred because of the massive corporate tax breaks given by the 1981 tax law. The corporate share of federal revenues fell by half, from 12.4 percent in 1980 to 6.2 percent in 1983.

The tax code is riddled with rules that allow certain taxpayers to reduce their taxable income or to pay special tax rates. Corporations are a major beneficiary of these "loopholes" or special rules. One of the best known is the virtually uncontrolled deduction for entertainment expenses, a provision that has spawned much controversy over three martini lunches and similar excesses.

The U.S. Treasury Department estimates that 15 million baseball tickets each year -- one-third of the total sold -- and half of all hockey tickets are purchased by businesses as tax deductions. Le Pavillon -- an expensive Washington restaurant where dinner without alcoholic drinks can cost $100 -- told The Washington Post in 1984 that 60 percent of its lunch business and 40 percent of its dinner business is put on business expense accounts.

Another good example is the Accelerated Cost Recovery System (ACRS). Part of the 1981 tax act, the ACRS is a special deduction for the cost of investment in new plant and equipment. Under ACRS, the deduction of the full cost occurs over a much shorter time span than the actual period over which the plant and equipment will be used.

These loopholes cost the federal government a tremendous amount in lost revenues. These lost revenues are called "tax expenditures." The cost of tax expenditures benefiting corporations has risen from $7 billion in 1970 to $87 billion in 1983 because of new and ever-larger loopholes, like ACRS. In other words, while this country's gross national product went up by about 300 percent, the federal government's expenditures on corporate loopholes went up 1,142 percent. By 1983, for every tax dollar corporations paid, they escaped $1.67 in other taxes through loopholes.

In 1984, Citizens for Tax Justice surveyed the federal income taxes that 250 of the largest corporations in America paid in the first three years of the Reagan administration. Many paid no taxes in one, two, or all three of those years, despite large profits. Others not only paid no taxes, but received tax payments from the government. These corporations gained this tax advantage through rebates or a system under which they could sell unneeded tax loopholes to other companies. In effect these companies were operating under a "negative" tax system -- the government pays them rather than the companies paying the government. Of the 250 companies studied, over half paid no federal taxes or had negative taxes in at least one of the three years. They managed this while earning a total of $57.1 billion over that period. Of those studied, 133 companies, which together made $130.9 billion, paid federal income taxes at a rate of about 12 percent; lower than that paid by the average American family. Below is a list of 17 of the best known of these companies, with their profits, taxes, and tax rates over the three years.

Federal Tax Payment for Major Corporations

1981 - 1983
(in millions of dollars)

Company	Profit	Tax	Tax Rate
General Electric	$ 6,527	-$283.0	- 4.3%
Boeing	1,530	- 267.0	-17.5
Dow Chemical Co.	776	- 223.0	-28.7
DuPont	2,591	- 132.0	- 5.1
St. Regis Corp.	123.9	- 121.3	-97.9
General Dynamics	930.8	- 70.6	- 7.6
Union Carbide	613	- 70.0	-11.4
Texaco	1,699	- 58.0	- 3.4
Northrup	177.4	- 42.5	-24.0
Greyhound	290.8	- 42.1	-14.5
Ohio Edison Co.	1,027.7	- 37.6	- 3.7
W.R. Grace & Co.	648.1	- 12.5	- 1.8
Lockheed	1,085	0	0
E. F. Hutton	351.6	7.2	2.0
McDonnell Douglas	965.4	14.0	1.5
Sears, Roebuck	3,445.8	144.1	4.2
A.T. & T.	31,363.1	346.8	1.1

Source: Citizens for Tax Justice, 1984

The full list of corporate tax breaks is a lengthy one. Even President Reagan's Treasury Department -- not noted for its hostility to corporations -- has decided that corporate tax loopholes are too large and corporate tax payments too small. The Treasury Department also determined that the current tax system causes economic distortions by favoring some industries over others, encouraging corporation mergers for tax purposes, reducing competitiveness, discouraging innovation, and causing a proliferation of abusive tax shelters.

The Treasury Department has thus proposed to greatly reduce corporate income tax loopholes. Corporate taxes would be increased $165 billion dollars in FY 1986 to FY 1990 alone -- about 30 percent more than they are expected to pay under the current system. The proposal would still leave corporate taxes lower than they have been traditionally.

Wealthy Individuals Have Also Benefited Handsomely From Tax Cuts

Wealthy individual taxpayers currently enjoy tax advantages similar to those of corporations. The 1981 tax cut, which reduced rates 25 percent over three years, mostly benfited the wealthy. The Congressional Budget Office has estimated the effect of the 1981 law and another law in 1982 on households at different income levels. The following shows (for the period of 1982-85) the combined effect of the two laws on households' taxes as compared to what taxes would have been if the pre-1981 law had not been changed.

Average Changes in Taxes Resulting from 1981 and 1982 Changes in Law

	Family Income				
	Less Than $10,000	$10,000-$20,000	$20,000-$40,000	$40,000-$80,000	$80,000 & Over
Change in Taxes Caused by Change in Law	-$10	-$850	-$3,540	-$9,240	-$29,840

These data reflect changes in federal income and excise tax laws and not increases in Social Security and other taxes. The $10 gain for poor families from the changes was, of course, more than erased by increases in Social Security taxes and in income taxes caused by inflation-related salary increases over this period. The benefits to families with higher incomes were so much larger that they were not erased.

Moreover, while they have enjoyed reduced tax rates, the rich have also been able to shelter (protect) more and more of their income from any taxes at all. Most tax shelters, deductions, and credits that are available to individual taxpayers benefit high-income individuals and families far more than low- and moderate-income taxpayers. The increasing use of these loopholes in recent years has further eroded the tax base and put more tax pressure on low- and moderate-income taxpayers. In 1983, these loopholes cost the federal government 83 cents in foregone additional taxes for every tax dollar actually paid by individuals.

The rate of increase in tax expenditures through shelters, credits, and deductions has far outpaced other growth rates, including cost-of-living, gross national product, or government expenditures on education or public assistance programs. For example, interest paid on consumer and other debts (credit card debts, loans to buy stock, auto loans) is deductible by taxpayers who itemize. But poor people and most moderate-income people who do not own their own homes (and therefore do not have the large separate mortgage interest deduction) cannot itemize, and receive nothing from this, even if they have consumer debts. In contrast, a family with an income of over $200,000 will itemize 98 percent of the time and receive significant tax benefits from having debts.

Moreover, any tax benefit provided as a deduction rather than a credit is worth less to a low- or moderate-income family than to a wealthy family because its value is tied to the tax rate, which is lower for these families. A concrete example will illustrate how this works. Since interest on a loan is deducted from taxable income, $1,000 in interest payments will lower the taxes of a middle-income family in the 20 percent tax bracket by $200 (20% times $1,000). The same interest payment saves a wealthy family in the 50 percent tax bracket $500 in taxes (50% times $1,000). As a result of this system, only 7 percent of the total aggregate tax break on consumer credit interest for all taxpayers goes to those making less than $20,000 per year.

This tax break is costly as well as unjust. In 1989 it will cost the federal government a little less than $10 billion, an increase of 670 percent from the $1.25 billion it cost in 1973. Here are some further examples of the loopholes that benefit the wealthy:

- The special treatment of capital gains from sales of stocks, bonds, and other property will cost over $29 billion in 1989, as opposed to less than $6 billion in 1973 and $0.5 billion in 1967. Fully 82 percent of these billions go to taxpayers with incomes over $50,000 a year.

- A provision allowing the deduction of portions of income that U.S. citizens earn abroad cost the federal government $50 million in 1973. By 1989 this tax expenditure will cost $1.631 billion. It is estimated that 73 percent of the benefit of this goes to taxpayers with adjusted gross incomes of more than $50,000 a year.

- Investment by the wealthy in business ventures as elaborate "tax shelters" has skyrocketed. Often the reason for the investment is not for a return on the investment, but for an artificial "loss" which can then be subtracted from taxable income. This is allowed by the tax code and can generate tax savings even larger than the amount of the investment. The rich investor has a high guaranteed rate of return solely because of the tax gimmick.

Congressman Byron Dorgan (D.-N. Dak.) in a symposium on tax reform, captured the corrosion of public ethics that these tax shelters and other loopholes create.

> This is the first generation of Americans, I think, that knows firsthand that, by and large, if you're very, very wealthy you can afford to pay a lot of very talented people to figure out ways to avoid taxes and you can even deduct the cost of the charges of those people on your income tax return....
>
> [P]olitical leaders, who make a fair amount of money, often don't pay much in taxes, because they have become involved in the same kinds of games that are played generally by those who make a fair amount of money. The Commissioner of the Internal Revenue Service these days, Mr. Egger, owns railroad hopper cars. Do you think he's a railroader? I don't know why the Commissioner of the Internal Revenue Service would own railroad hopper cars. I suspect he's invested in a tax scheme to reduce his income tax liability. The Attorney General of the United States [William French Smith] purchased, for $16,000, a tax write-off of $60,000. That's precisely what's wrong with the tax code in this country.

Poor People's Taxes Have Skyrocketed

Direct federal taxes on poor working families come essentially in two forms: Social Security taxes (also called "FICA" or "payroll" taxes) and federal income taxes.

The Social Security tax is a flat rate paid on all earned income, up to a maximum, which is $39,600 in 1985. The tax funds both Social Security and Medicare benefits. Because the flat rate has risen substantially over the years, from 3 percent in 1960 to 7 percent in 1984, the tax has taken a growing share of the earnings of low-income workers, as well as of others. In 1960, a worker who earned the poverty-level wage at that time ($3,022 for a family of four) paid $90.66 in Social Security taxes. Since 1960, inflation has pushed the poverty level up, and the tax rate has more than doubled. As a result, a comparable worker in 1984 would have to pay $743 in Social Security taxes. The combination of inflation (251 percent) and tax rate increases (133 percent) drove Social Security taxes up by 719 percent in the intervening 24 years.

The other major federal tax is the income tax. Here, the factors determining the amounts poor people pay are more complex. Poor people are paying a larger share of their income in taxes because inflation has driven up enormously the wages on which they are taxed, without giving them more real dollars in income or a higher standard of living. The income tax threshold -- the income level at which families begin to pay taxes -- was above the poverty line in the late 1970s, but now is well below it.

The level of the income tax threshold is determined by the amounts of three items: the personal exemption, the standard deduction-zero bracket amount (ZBA), and the earned income tax credit (EITC). While there are dozens of tax breaks in the federal tax system, few of them are ever used by low-income families. It is the exemption, standard deduction and EITC that are crucial for the poor and determine what effective tax rate, if any, they will pay.

The personal exemption generally allows the taxpayer to subtract $1,000 from gross income for each parent and each dependent child living in the taxpaying unit; for example, $4,000 for a family of four. It is available to all taxpayers, regardless of income or other deductions. Despite inflation, the exemption remained at $1,000 from 1979 to 1984.

The standard deduction, now called the zero bracket amount (ZBA), is a general deduction from income primarily claimed by low-

and moderate-income taxpayers. Most high-income taxpayers (about 95 percent of those with incomes over $50,000) itemize and subtract as separate deductions from taxable income such expenditures as mortgage interest payments, consumer credit interest, and high medical costs on their tax returns. But because lower-income families typically spend far less on these items, most claim the standard deduction-ZBA and deduct a flat (standard) amount. For single persons or "heads of household" -- a tax term generally meaning single parents with children -- the ZBA has been $2,300 and for married couples and their families it has been $3,400. These standard deduction-ZBA amounts were not changed between 1979 and 1984.

Thus, for a family of two parents and two children, the combined exemption and standard deduction-ZBA in 1984 were $7,400: four $1,000 exemptions and a $3,400 standard deduction-ZBA . For the same size family with a different composition -- a single mother and three children -- the figure has been lower, $6,300: four $1,000 exemptions and the $2,300 standard deduction-ZBA for a "head of household" unit.

There is a third factor in figuring the tax thresholds for poor families: the Earned Income Tax Credit (EITC). The EITC was enacted in 1975 as a way of giving income tax relief to working low-income taxpayers with children, offering many some relief from the Social Security tax, and improving work incentives.

The EITC is a credit against income tax, which means that after the taxes owed are first computed, an amount is then subtracted and the family pays less taxes. For example, for 1984 the intact family of four with $9,400 of income would initially figure its federal income tax as $220. That family is then eligible for a $72 EITC (calculated according to a table in the tax book), reducing its actual income tax payment to $148.

Sometimes the amount of the EITC exceeds the amount of income taxes otherwise owed. When this happens, the IRS pays the excess back to the family, and the payment acts to offset part or all of the Social Security taxes the family has paid.

The amount of the EITC for each eligible family is determined on a sliding scale based on income. The maximum credit in 1984 is

$500 for families earning from $5,000 to 6,000. Above and below that level, the credit is less. For other examples, see the table below. (The EITC went unchanged from 1979 through 1984.)

Earned Income Tax Credit Scale

Earned Income	Amount of Credit
$2,000	$203
4,000	403
5,000-6,000	500
8,000	247
9,000	122
9,900	9

As inflation drove up the poverty line from 1979 to 1984, a low-income family was often lucky if its income kept pace. Even a family whose gross income did keep pace was significantly worse off in 1984 because its taxes went up substantially. Its taxes went up in part because of increases in the flat regressive Social Security payroll tax rate. More important, its income taxes skyrocketed because the exemption, the standard deduction ZBA, and the EITC were unchanged at the same time that inflation pushed the family's taxable earnings way up.

For America's poor families, the failure of the 1981 tax law to adjust the exemption, ZBA, or EITC amounts more than offset any positive effect of the tax rate cut. On the other hand, for more affluent taxpayers, the rate cut was the dominant factor, and their taxes dropped.

This development negates years of tax policy. Throughout the 1960s and 1970s, Congress attempted in several tax laws, through increases in the personal exemption and standard deduction, and through enactment of and increases in the EITC, to eliminate the income tax burden on families whose incomes were below the poverty line.

If the tax laws are not now changed again, poor people will continue to suffer from the exorbitant taxes they currently pay and from even higher taxes in the future, although the growth in taxes will slow down. In 1984 Congress passed a small increase in the EITC -- increasing the maximum credit to $550 and the phase-out income level to $11,000 -- to take effect in 1985, but it did not index the EITC for future years. Beginning in 1985, the personal exemption and standard deduction-ZBA are, however, indexed for inflation.

What this means is that for poor families below the new EITC cut-off of $11,000, income tax rates will take a small dip in 1985 from their present high levels, and then begin rising again in 1986 and thereafter. For low-income families above the EITC cut-off in 1984, income tax rates will remain the same. Social Security tax rates for both groups will continue to rise, beginning with an increase in 1985.

CDF Proposals Advance Tax Fairness

Attention to the grossly inequitable tax treatment of the poor is beginning to coalesce. The House Ways and Means Committee held a series of hearings in 1984 on the tax status of families in poverty. The tax simplification proposal recently released by the Treasury Department emphasizes that a family's "taxpaying capacity exists only once income exceeds the poverty level."

There are a number of ways to bring greater tax fairness to the poor through incremental changes in the current tax system, or as part of a more general tax reform. The least important of these is another slight rate reduction. Rather, more income of low-income families must be nontaxable, and the EITC must be increased. Because the amount of taxes paid by families in poverty is primarily a function of the personal exemption, the zero bracket amount, and the earned income tax credit, changes in some or all of these are necessary to substantially benefit poor families. The Children's Survival Bill contains a number of proposals to bring tax relief to low-income working families.

Expanding the Earned Income Tax Credit. The earned income tax credit is the one tax provision exclusively available to the poor. Because the EITC is the only "refundable" credit available to low-income taxpayers, it is also the only device to offset not only income taxes but the burdensome Social Security taxes. It is the EITC that brought the income tax threshold above the poverty line from 1975 through 1980. But the EITC has lagged far behind inflation.

A significant expansion of the EITC is necessary to assist poor working families and would be the most direct method for addressing the problem. The increase should be sufficient to eliminate income taxes for poverty-line families and to provide them substantial relief from Social Security taxes. The Children's Survival Bill 7(a) proposes to expand eligibility for the EITC to families earning up to $16,000 a year, and to increase the maximum credit on the sliding scale to $800. This would close the gap between the poverty line and the income tax threshold for most families in poverty, and provide much needed tax relief for both poor and moderate-income families.

Indexing the EITC. The 1981 tax law provides that almost all provisions affecting individual taxpayers (for example, the personal exemption, the standard deduction-ZBA, and income levels at which progressive rates apply) begin in 1985 to increase in amounts to equal inflation. They are "indexed" so that tax rate increases do not occur when someone's income goes up only by the amount of inflation. The EITC is the only major provision affecting rates that was not scheduled for indexing by the 1981 law; therefore only the poor will pay higher taxes because of "bracket creep" in the years ahead. The Children's Survival Bill proposes to remedy this situation and bring tax equity to the poor by indexing the EITC.

Adding a Dependent Allowance to the EITC. The earned income tax credit currently depends only on income, and is unrelated to family size. As a result, the structure of the EITC contributes to the disproportionately harsh tax treatment of large poor families. Because the poverty line increases by about $1,600 to $2,200 for each additional family member, while each additional personal exemption shields only $1,000 from taxes, the tax threshold falls further and further behind the poverty line as family size grows. This could be remedied by increasing the EITC with an additional allowance for each dependent child, and by an additional amount for each child under six, as proposed in The Children's Survival Bill, in recognition that families shoulder the heavy costs of child care for their young children.

Adjusting the Standard Deduction-Zero Bracket Amount for Heads of Households. In 1984 the standard deduction-ZBA was $2,300 for single persons and for families with single heads of household, and $3,400 for married couple families. These amounts are scheduled for indexing in 1985.

"Head of household" is the tax term encompassing most single parents, and other single taxpayers with dependents. In 1981, 8.4 million taxpayers filed as heads of household. Married couples filing jointly receive credit for a $3,400 ZBA -- significantly more helpful than the $2,300 accorded single parents. The difference reflects only household type, not household size. A working single mother with three children receives a $2,300 ZBA, while a married couple with two children (or no children for that matter) receives the $3,400. As a result of the differential, a poor single parent will usually pay higher taxes than a married couple filing jointly with the same income. This structure unfairly penalizes single working parents, many of them women already suffering from disproportionately low wages and the added expenses of child care incurred by single-parent families. The Children's Survival Bill proposes to adjust the ZBA for heads of household to equal the amount allowed for married couples filing jointly to remedy this inequity for working single-parent families. Such an approach would primarily benefit the poor, since so many female-headed households have incomes below or near poverty, and the few that are well-to-do are likely to itemize their deductions. Legislation to adjust the ZBA for heads of households has been introduced for several years.

Title II: Raising Additional Tax Revenues by Eliminating Loopholes. The Children's Survival Bill also proposes to offset this reduction in taxes on the poor by eliminating tax loopholes now sheltering the wealthy and large corporations. The Bill will yield a net $25 billion in deficit reduction by eliminating these loopholes and cutting funding for the controversial MX nuclear missile.

Other Proposals To Improve Tax Equity

Expanding the Standard Deduction-ZBA. Expanding the ZBA for all Americans would primarily benefit low-income taxpayers who rarely itemize deductions, although it would also benefit the many moderate-income (and a few high-income) taxpayers who also do not itemize deductions. If the ZBA were increased sufficiently to close the gap between the poverty line and the tax threshold, it would cost an estimated $16.6 billion. In conjunction with an expanded and indexed EITC, however, a more modest and targeted expansion of the ZBA could benefit low-income working families at a significantly lower cost.

Expanding the Personal Exemption. A single personal exemption is allowed for all taxpayers as well as for each dependent. A double exemption is provided to those who are blind or over age 64. The personal exemption is the only current tax provision that differentiates tax burden by family size. While expanding the personal exemption would assist poor working families, it would also assist every other taxpayer, and the resulting cost would be very large. Moreover, an increased personal exemption is of greater value to higher-income taxpayers, because it reduces tax liability for them by a greater dollar amount. A $1,000 increase in a personal exemption saves a taxpayer in the 50 percent bracket -- paying 50 percent federal income taxes on the highest portions of his income -- $500 a year, but a low-income worker in the 11 percent bracket saves only $110 a year. Thus, an increase in the personal exemption is an inefficient method of bringing tax relief to low-income taxpayers. In addition, it is estimated that increasing the personal exemption from $1,000 to $1,800 would cause a revenue loss of approximately $34 billion a year. Any attempt to give relief to low- and moderate-income taxpayers through changes in the exemption would more appropriately be accomplished through conversion of the exemption, or the increase in the exemption, into a tax credit. This would allow all taxpayers to benefit equally and could make the revenue loss substantially smaller.

Current Congressional and Treasury Department Reform Proposals

Regardless of whether there is a sweeping change in the tax system this year, Congress must reduce the tax burden on the poor. Such changes must also be an integral part of any fair tax reform proposal.

A number of proposals have been developed in the last few years that seek major changes in the federal income tax system. Most are designed to reform or simplify the current system. These include the Bradley-Gephardt Fair Tax Act, the Kemp-Kasten Fair and Simple Tax Act (FAST), Quayle's SELF Tax Act, and the Treasury Department proposal released in November 1984. In their present form, these proposals do not attempt to increase federal revenues in order to reduce the deficit. Generally they reduce tax rates, but raise equivalent revenue by eliminating many of the current credits, deductions, and loopholes. By and large they are much simpler than the current system. While greater tax fairness is a stated goal of each of these proposals, their effects on the tax burden of the poor vary.

The Bradley-Gephardt Fair Tax Act substantially reduces income tax rates by broadening the tax base through the elimination or limitation of many of the special provisions and loopholes in the tax code. While sponsors and proponents of the Fair Tax Act assert its basic fairness to all taxpayers, especially those "least fortunate members of society," the bill would not substantially reduce taxes for many of the poor.

It gives the most help to traditional two-parent families at or near the poverty line. Such a family with two children and an income at the 1984 poverty line of $10,613 would have its federal income taxes reduced from $365 to $0 under this law. By leaving the EITC untouched, however, the Bradley-Gephardt proposal does nothing to relieve the growing Social Security tax burden on poverty-level families.

Moreover, for many single-parent households in poverty -- a large and growing proportion of the poor -- the Bradley-Gephardt proposal provides virtually no income tax relief. It increases rather than reduces the disparity in the federal income tax burden between these particularly vulnerable families and two-parent families. The income tax burden on a single-parent family of four (female head of household and three children) with the same income of $10,613 would be reduced only about $76 -- from a level of $499 to $423 -- under the Bradley-Gephardt proposal and the Social Security tax burden would be untouched. This is because the bill increases the disparity in the zero bracket amount between heads of households and intact families.

The Kemp-Kasten Fair and Simple Tax Act (FAST and Senator Quayle's SELF Plan also seek to reform the current income tax system by broadening the base through the elimination of various deductions, credits, and special provisions. After allowing for an employment income exclusion, the Kemp-Kasten proposal imposes a flat 25 percent tax on all taxable income, effectively eliminating the long-standing progressivity of the federal income tax. Senator Quayle's tax rates are mildly progressive.

Like the Fair Tax Act, FAST and SELF would exempt traditional two-parent poverty families from federal income taxes. FAST does this through increases in the personal exemption and the standard deduction-zero bracket amount. SELF raises only the standard deduction-ZBA, from $2,300 to $6,000 for individuals and heads of households, and from $3,400 to $10,000 for married couples filing jointly. As a result, both plans protect an intact family of four from paying federal income taxes until their income exceeds the poverty line. Single-parent families of four, however, are not treated as well, although FAST narrows the gap.

Both FAST and SELF, however, would hurt many families with wages below the poverty level by changing the EITC. FAST reduces it; the SELF plan eliminates it. By taking the refundable credit away from poorer working families that have little or no income tax liability, these plans will increase their taxes, because the families would receive smaller or no EITC offsets for their Social Security taxes. If SELF had been implemented in 1984, for example, families earning three-quarters of the poverty level would have suffered 15 to 56 percent net tax increases.

The Treasury Tax Simplification Plan recently released by the U.S. Department of Treasury proposes greater relief for more working poor families than the other plans. Like the others, it seeks to reduce tax rates by broadening the tax base through the elimination or limitation of many existing credits and deductions. The proposal states that "it is commonly agreed that households with incomes below the poverty level should pay little or no tax," and Treasury would in fact reduce or eliminate the income tax for most families in poverty. The plan seeks to increase the personal exemption for the taxpayer and each dependent from $1,000 to $2,000; and to increase the zero bracket amount from $2,300 to $2,800 for the single taxpayer from $2,300 to $3,500 for the head of household and from $3,400 to $3,800 for a married couple. The plan maintains the earned income tax credit, and adds it to those provisions that will be indexed. It takes further steps than some other plans to reduce the disproportionately heavy tax burden currently placed on single-parent families and large families.

For families living below, at, or a little above the poverty line, all of these proposals are inadequate: none restores them to their position in 1979. The failure of the four plans to boost the EITC leaves all such families far worse off than they were that year. More carefully targeted plans are necessary to provide adequate tax relief for the poor.

Comparison of Selected Tax Provisions in Current Law (1985 Returns for 1984 Income), Three Omnibus Tax Reform Proposals, and the Children's Survival Bill

	Current Law (1984)	Treasury Proposal	Bradley-Gephardt	Kemp-Kasten	Children's Survival Bill
Earned Income Tax Credit					
Income of eligible families	$0-10,000	$0-10,000	$0-10,000	$0-6,667	$0-16,000
Maximum amount of credit	$500	$500	$500	$400	$800
Indexed	no	yes	no	yes	yes
Zero Bracket Amount (standard deduction)					
Single	$2,300	$2,800	$3,000	$2,700	$2,300
Head of household	$2,300	$3,500	$3,000	$2,700	$3,400
Married, joint return	$3,400	$3,800	$6,000	$3,500	$3,400
Personal Exemption (per person)					
Self, spouse	$1,000	$2,000	$1,600[a]	$2,000	$1,000
Dependents	$1,000	$2,000	$1,000	$2,000	$1,000

[a] The Bradley-Gephardt plan provides an $1,800 exemption for a single head of household.

Children's Defense Fund

◆

A CHILDREN'S SURVIVAL BILL

A Positive Agenda for Children

A Preface

The Children's Survival Bill is a legislative agenda for children, adolescents, and families for the Ninety-ninth Congress. It is an agenda of governmental investment for human survival and opportunity as well as for budgetary prudence and strength. The Bill is based on a sound and simple premise: an investment of scarce resources in our nation's children will protect our nation's future.

Children are the country's future workers and taxpayers, its future leaders, artists, teachers, and scientists. Today's children must shoulder tomorrow's national debt, finance its Social Security system, and lead this country into the twenty-first century. All Americans have a stake in making healthy and educated children into self-sufficient, creative, and productive adults.

Wise investment in children now is sound economic policy in a time of fiscal restraint. Research proves that children's programs that provide services like prenatal care and immunization save us more money than we spend on them. It costs about ten dollars to provide a baby with a series of immunizations, compared to hundreds of thousands of dollars for a lifetime of care for a child with severe disabilities caused by preventable sickness. Every dollar spent on comprehensive prenatal care saves two dollars in health care in the first year of an infant's life alone.

Second, investment in children is an intergenerational compact which protects our future security. Children need help during the eighteen years it takes them to reach adulthood. But today's adults will later turn to these children for support during retirement years. In the future, there will be more elderly people for the nation's economy to support. To protect ourselves in our old age, we must see to it that today's and tomorrow's children grow into productive and compassionate adults, because the security of all of us will come to rest on their shoulders.

But the children of the 1980s are an endangered group. Children are the poorest age group in America. The child poverty rate is at its highest level in twenty years. More than one in five children in this country live in poverty. One in four preschoolers is poor. Black and white, Hispanic and Asian, millions of children are now suffering the range of problems caused by poverty.

Too many children live in single-parent households. If that parent is a mother under the age of 25, this is almost a guarantee of a lifetime in poverty. These children are five times more likely to be poor than those in two-parent families. In 1983, 62.5 percent of single-parent white families and 84.0 percent of single-parent black families were poor.

Child poverty is also growing because teenage mothers are having children at a rate of half a million a year, and over 50 percent of these young women are single, thus adding another turn to the cycle of poverty. Adolescent pregnancy poses a complex problem for all communities—black, white and Hispanic.

Many children in traditional two-parent families are poor because their parents are unemployed—still. Despite our economic recovery, there are 5.4 million children with at least one parent unemployed and another 5.4 million children with no parent in the labor force.

But poverty is only one strike against our children's future and that of our nation. Our children are not as healthy as they should be. America ranks seventeenth in the world in keeping infants alive during their first year of life—behind many other industrialized nations. One in three children in America has never seen a dentist.

More children are reported abused each year in state after state. Families are falling apart, forcing children into the already overloaded foster care system.

Millions of children are left alone during the day while parents work at low-paying jobs because decent child care is either unavailable or unaffordable.

Too few adolescents are acquiring adequate skills for gainful employment. As a result, they are missing the opportunity to contribute to themselves or to their country's health and prosperity.

In these times of tight budgetary limits, society cannot afford to pay the high costs of waste and neglect. For example, it costs

- over $12,000 a year to house an inmate in a state prison, and
- over $16,000 a year for institutional care for a foster child.

Society cannot afford these high

costs in the best of times, and the federal government most assuredly cannot afford them in the face of the largest budget deficit in history. Shortsighted policies by the Reagan administration that create crises among the young must be rejected as swiftly and firmly as shortsighted policies that create crises in our national budget and economy. The budget cuts in 1981, many of them at the expense of programs for children, were followed by a sharp rise in child poverty, by increasing reports of child abuse, hunger, sickness, and despair. Recognizing these results, Congress soundly rejected the additional Reagan administration proposals for budget cuts in children's programs in 1983 and 1984 and must do the same in 1985.

Just as prudent and economically sound steps must be taken to deal with the deficit crisis, so must proven, cost-effective steps be taken to rescue children from the crises they face. It is time to invest in our youth before they become ill, are left alone, have a baby, or drop out of school.

The Children's Survival Bill is an important first step toward these goals. It is a sound and balanced deficit reduction package. The Bill invests additional federal resources—about $14 billion—in cost-effective programs known to prevent child abuse and neglect, infant mortality and ill-health, malnutrition, illiteracy, teen pregnancy, despair, and dependency. The Bill proposes to offset these costs and yield a net of more than $25 billion in deficit reduction by eliminating tax loopholes now sheltering wealthy corporations and individuals, by imposing taxes on luxury items, and by eliminating funding for the controversial MX nuclear missile. There are, of course, a number of additional tax and military proposals that could be substituted to generate comparable savings.

The first Children's Survival Bill was developed for the Ninety-eighth Congress. Introduced by Senator Christopher Dodd (D-Conn.) and Representative Geraldine Ferraro (D-N.Y.), along with close to 100 congressional cosponsors from both parties, the Bill served as a focal point for national concern about the plight of our nation's children. It proposed modest funding restorations in many of the programs for children and families severely cut back in 1981 and 1982. Many of these proposals were then adopted by Congress. After a total of $10 billion had been cut from programs for children and families in 1981 and 1982, more than $1 billion was added back in 1983 and another $1 billion in 1984. This is a start, but we have a long way to go to repair the damage and reach out to move more children out of poverty.

This year's bill calls for funds to be invested in sound, proven current programs for children like

- Head Start—a motivating program for young children that has fifteen-year track record of success. For every one dollar invested in Head Start, three dollars are returned in reduced public expenditures and increased public receipts. Head Start children are less likely to end up pregnant as teens or on welfare, and more likely to enter vocational school, college, or the workforce.
- WIC—the Women, Infants, and Children feeding program, which study after study has found a success. A $35-a-month WIC nutritional package for an infant can save far more than the $1,400 a week it costs to hospitalize an infant for treatment of malnutrition.
- Chapter 1—the Education of the Disadvantaged program has a history of teaching young children to read and compute at a cost of approximately $625 per year compared to the more than $3,000 cost of keeping a child back to repeat a grade. Currently, nearly 10 million children repeat at least one grade during the course of their education.
- Maternal and child health programs—programs which are especially cost effective. Every dollar spent on comprehensive prenatal care saves two dollars in the first year of an infant's life alone because of reduced need for hospital care.

The Bill also proposes modest investments in creative new endeavors similarly premised on prevention: a drop-out prevention program to explore successful approaches to keeping adolescents—especially teenage mothers—in school; small grants to encourage states to improve the monitoring and supervision of child care facilities in order to improve the quality of care and prevent abuse or neglect of children; and incentives to maximize child care resources by greater cooperation with elementary and secondary schools.

This year, the Children's Survival Bill will also address the alarming problem of children having children—adolescent pregnancy. This complicated problem requires multiple strategies. First, we must prevent the first pregnancy, and then we must ensure that teens who have already had one child do not have a second. It is also critical to make sure that teenage mothers receive adequate prenatal care so that prematurity, low birthweight, or birth defects are not added to their babies' already stacked decks. Such elements as health and family planning efforts, job training and youth employment, schooling and child care are woven throughout the new Children's Survival Bill. The Bill also places priority on important demonstration projects, such as school-based comprehensive service centers, with proven records of success in preventing adolescent pregnancy.

The Children's Survival Bill also addresses another major national problem facing families: the unfair tax burden on the poor. Currently, federal taxes for families in poverty are going up, while they are declining for all other income groups. In the context of the current national discussion of tax reform, this year's Children's Survival Bill sets forth a number of proposals designed to establish tax fairness.

A section-by-section summary of the new Children's Survival Bill follows. Title I, "Essential Preventive Programs for Children," makes positive investment in children, adolescents, and their families:

- Section 1 helps keep families together through investments in federal programs for troubled children and families.
- Section 2 provides low-income families with affordable, quality child care so that children are not left alone or under inadequate care while their parents work or go to school.

- Section 3 ensures mothers and children access to prenatal care and health services in order to prevent infant mortality, birth defects, and costly childhood sickness and disease.
- Section 4 helps children and adolescents gain the education and skills they need for self-sufficiency in adulthood.
- Section 5 provides children and families with more adequate food and nutrition.
- Section 6 assists children and families most in need with a minimal level of support and opportunity for self-sufficiency.
- Section 7 brings tax fairness to working families in poverty, especially large and single-parent families.
- Section 8 helps adolescents and young adults gain job training and employment at wages that allow for self-sufficiency.

Title II of the Children's Survival Bill, "Reform and Elimination of Tax Subsidies and Weapons Systems," includes a range of proposals, many of which were endorsed by the U.S. Department of Treasury in its tax simplification plan, designed to produce additional federal revenue for investment in children and for deficit reduction.

This new Children's Survival Bill will be introduced in Congress and referred to many different committees. Because the Survival Bill is an omnibus piece of legislation, much like the Economic Equity Act for Women, Congress will not consider it in its entirety. There will never be a single vote on the Children's Survival Bill. Its many separate proposals will, however, be considered by the Ninety-ninth Congress initially as it develops a budget for the 1986 fiscal year, and later when it moves to implement that budget. Support for the Children's Survival Bill means support for positive investment in children.

For more information, contact Mary Bourdette or the following CDF staff members on particular sections: Title I: Section 1, Marylee Allen; Section 2, Helen Blank; Section 3, Sara Rosenbaum; Section 4, Noe Medina; Section 5, Helen Blank; Section 6, Marylee Allen; Section 7, Mary Bourdette or Jim Weill; Section 8, Karen Pittman. Title II: Paul Smith.

Section-by-Section Summary

Title I: Essential Preventive Programs for Children

Section 1: Troubled Children and Families: Child abuse, neglect, emotional disturbance, running away, and many other special problems of children are often associated with troubled families. Services known to prevent and treat these problems of children and adolescents are available for only a fraction of the children in need. The proposals in this section seek to build upon successful federal programs for children with special needs.

(a) Child Abuse and Family Violence: Assists the more than 1.5 million children reported as victims of abuse and neglect by appropriating $41.5 million (an increase of $15.5 million) for the Child Abuse Prevention and Treatment Program. In addition, it provides shelter and related services to victims of family violence and their children by initially appropriating $26 million for the recently enacted Family Violence Prevention and Services Program.

(b) Child Welfare Services: Strengthens services for abused and neglected children by appropriating $266 million (an increase of $66 million) for the Title IV-B Child Welfare Services Program and by extending state authority to utilize unused foster care funds for services for children at risk of placement or in care.

(c) Social Services Title XX: Helps troubled families with children through crisis assistance, child care, and special support services by providing $3.65 billion (an increase of $950 million) for the Social Services Block Grant (Title XX) so that all states, particularly the 45 which have experienced increased reports of child abuse and neglect, may respond with appropriate protective services. States would be required to match federal funds at a 75/25 rate and the increased service funds would be equally divided between child care and other social services.

(d) Foster Care: Extends support and protections to children in the federal foster care program, especially older adolescents up to age 21 who are still in school or training, and those in supervised independent living programs, and makes permanent the protections for those placed in foster care voluntarily by their parents.

(e) Runaway and Homeless Youth: Helps the approximately 1.5 million children who are runaway or homeless by appropriating $50 million (an increase of $26.7 million) for the Runaway and Homeless Youth Program. Currently less than 20 percent of these youngsters are served by federally funded shelters.

(f) Juvenile Justice and Delinquency Prevention: Assists states to meet the needs of youth in the juvenile justice system by appropriating $100 million (an increase of $30 million) for the Juvenile Justice and Delinquency Prevention Program.

(g) Child and Adolescent Mental Health: Helps seriously emotionally disturbed children and adolescents whose needs often fall through bureaucratic cracks by encouraging states to improve coordination among the child welfare, juvenile justice, mental health and special education systems. Appropriates $7 million (an increase of $3.1 million) specifically for the Child and Adolescent Service System Program, funded as part of the adult Community Support Program.

Section 2: Child Care: Child care is essential if women are to work to support their families, and if children are to receive supervision and care. Yet a national crisis has developed as the supply of decent, affordable child care lags far behind the demand, so much so that as many as 6 to 7 million children may be left alone while their parents work, and many women must depend on welfare simply because affordable child care is unavailable. This section contains a number of creative approaches for expanding the availability of child care affordable to low income parents, and for improving the quality of care for children.

(a) Expand Child Care Availability: The following proposals offer a range of options to expand the availability of child care for low income families.

(1) Head Start: Provides approximately 60,000 additional children with a Head Start opportunity by appropriating $1.22 billion (an increase of $146 million). Currently Head Start serves only 18 percent of eligible children.

(2) Social Services Title XX: Ensures child care for approximately 200,000 additional low income children by providing $3.65 billion (an increase of $950 million) for the Social Services Block Grant, Title XX. Requires states to match federal funds at a 75/25 ratio, and reserves half the increased services funds for child care.

(3) Dependent Care Tax Credit: See Section 7(d).

(4) Child Care in Schools: Assists schools in providing child care and early childhood education for four and five year olds by appropriating $50 million for a competitive grant demonstration program with preference to schools serving low income children under a new Chapter III of the Education Consolidation and Improvement Act. Requires state or local matching funds and sliding fee scales, age-appropriate curricula, appropriate state or federal standards, parent involvement and staff experienced with young children.

(5) Child Care for Adolescent Mothers: Helps teen mothers finish high school, by providing comprehensive services, including child care, through two new demonstration programs: the Dropout Prevention and Recovery Program funded at $58.5 million, and School Based Comprehensive Service Centers, funded at $100 million. See Section 4(c)(1) and (2).

(6) Child Care for Disadvantaged College Students: See Section 4(d)(1-3).

(7) Child Care in Public Housing: Helps public housing agencies provide child care by targeting $15 million for contracts with community based nonprofit child care agencies.

(8) Child Care Expenses for AFDC Recipients: Helps enable AFDC recipients to work by altering the order of the eligibility computation so that child care costs are disregarded last when calculating AFDC eligibility and benefits at a cost of $25 million. This will eliminate the current inequity between working AFDC recipients who receive subsidized child care and those who rely on the AFDC child care disregard for their child care expenses.

(b) Improve Child Care: The following provisions will improve the quality of child care services, a need highlighted by reports of abuses in day care centers.

(1) Standards: Improves and increases licensing and monitoring of child care services by providing states with $50 million in incentive grants to bring federally funded child care into compliance with, at a minimum, the Health, Education, and Welfare Day Care Requirement of 1980.

(2) Training: Improves training of child care and other human service workers by allocating $100 million of the Title XX increase for this purpose, with a requirement that $10 million be directed to community based nonprofit agencies for support of family day care homes. See Section 2(a)(2).

(3) Child Development Associate Scholarships: Further improves the quality of child care staff by providing $1.5 million, divided among the states, to support scholarships for individuals seeking a Child Development Associate credential.

(4) Child Care Food: See Section 5(a).

(c) Maximize Child Care Resources: These provisions will maximize child care resources and help families locate services.

(1) School Age Programs/Resource and Referral: Helps families locate appropriate child care and expands community child care resources by providing $20 million for start up costs for resource and referral centers and for school age child care programs.

(2) Loan and Grant Program: Provides $20 million for child care start-up costs and renovation and equipment costs, including costs for equipment for the Child Care Food Program.

Section 3—Health: Basic medical care is necessary for survival and development, and is also cost effective. Yet thousands of pregnant women and children are not receiving the prenatal and preventive health services known to reduce infant mortality, birth defects, childhood diseases, and other costly complications of neglect. The following proposals build upon effective federal health programs so that lives and dollars can be saved.

(a) Maternal and Child Health Block Grant: Ensures basic prenatal care, checkups, immunizations and other essential health services to additional low-income mothers and children by providing $529 million (an increase of $51 million) to the Maternal and Child Health Block Grant.

(b) Community Health Centers: Provides comprehensive health services to low income families through the Community Health Centers program. Studies show that comprehensive health clinics deliver high quality care that can reduce hospitalization rates between 25 and 40 percent. Provides $425 million (an increase of $26 million) by reauthorizing the program and repealing the Primary Care Block Grant Program.

(c) Family Planning: Provides essential, cost-effective health, family planning and education services to over 1 million young women and mothers by reauthorizing the program for three years and appropriating $185 million (an increase of $42.5 million) for family planning services for FY 1986. Studies show this program yields savings of $1.80 for every $1.00 invested.

(d) Immunization: Ensures all children age-appropriate immunizations against polio, diphtheria, measles, tetanus, whooping cough, and mumps by providing sufficient federal funding for this effort. Over 2 million *fewer* children are now receiving immunizations than in 1981; less than half of black preschool children are immunized against diphtheria-tetanus-pertussis and only 39 percent against polio. A Centers for Disease Control study indicates for every dollar spent on measles vaccinations, about $10 was saved in medical care and long-term care by reducing deafness, retardation, and other problems.

(e) Migrant Health Centers: Assures additional migrant families basic health care by providing $55 million (an increase of $5.7 million) for migrant health centers.

(f) Medicaid: Medicaid is the most important public health program in this country, and yet it reaches fewer than half of all poor children and their families. The following proposals seek to improve the Medicaid program to ensure preventive health and other medical services especially critical to pregnant women and poor children.

(1) Pregnant Women and Children: Extends medical assistance over a two-year phase-in period to all pregnant women and children living below the federal poverty level. Coverage would be extended to children under six and all pregnant women in FY 1986 at a cost of $800 million, with coverage extended to children under 18 in FY 1987.

(2) Prenatal Services: Requires states to provide pregnant women with all medically necessary prenatal delivery, and postpartum services, regardless of whether such services are provided to the general Medicaid population, and without "amount, duration, or scope" limitations on coverage of such services other than medical necessity. Includes outreach and health education activities. Women who receive no prenatal care are three times more likely to have low birthweight babies, whereas every dollar spent on comprehensive prenatal care saves $2 in the first year alone of infant life. The estimated cost for increased care is $137.5 million.

(3) Pregnant Adolescents: Avoids the denial of Medicaid coverage to pregnant adolescents whose parents do not or cannot provide them with adequate medical care by prohibiting states from deeming income from parents to minor pregnant adolescents. Teen mothers account for one-fourth of low birthweight babies—a tragic and costly risk that can be significantly reduced by prenatal care.

(4) Medically Needy Pregnant Women and Children: Improves coordination of health services for poor women and children by requiring states to treat, as an incurred medical expense, the cost of services furnished to medically needy pregnant women and children by public clinics funded under Title V of the Social Security Act, or other federal public health programs, so that they may qualify for Medicaid coverage. This would cost approximately $200 million.

(g) Supplemental Food (Women, Infants, and Children): Ensures supplemental food to approximately 3.4 million low-income children and pregnant women children at nutritional risk—about 40 percent of those eligible—by providing $1.7 billion (an increase of $200 million) for the highly successful WIC program. Provision would also reauthorize the WIC program for three years at gradually increasing levels.

Section 4: Education: An adequate and effective education is necessary for the development of skilled, trained, and productive young adults who will contribute to the nation. This section contains a range of education proposals designed to help children, including those with special needs, adolescents at risk of pregnancy, and those who are adolescent parents, attain self-sufficiency. The proposals include federal programs with long track records of success, and promising new demonstration efforts aimed at preventing pregnancy and other factors that cause youth to drop out of school.

(a) Successful Federal Programs: The following proposals expand existing cost-effective federal education programs.

(1) Education of Disadvantaged Children: Provides an additional 400,000 educationally disadvantaged children with the effective services of Chapter I of the Education Consolidation and Improvement Act, by appropriating $4.1 billion (an increase of $400 million).

(2) Bilingual Education: Provides an additional 55,000 students with bilingual education services, by appropriating $230 million (an increase of $91 million).

(3) Desegregation Assistance: Improves and expands the Magnet Schools Assistance Act by providing $150 million (an increase of $75 million).

(4) Handicapped Education: Assists school districts in providing appropriate education for handicapped children by providing $1.33 billion (an increase of $220 million) and supporting all 94-142 programs at the fully authorized funding levels.

(b) Early Childhood: The following proposals represent modest investments in the early education of at-risk children.

(1) School-Based Early Childhood Education: See Section 2(a)(4).

(2) Early Childhood Education Incentive Grants: Encourages school districts to provide supplemental educational services for educationally disadvantaged four and five year olds by providing $100 million in grants under Chapter I of the Education Consolidation and Improvement Act.

(c) Adolescents: The following propose small investments in creative new school-based efforts to prevent adolescent pregnancy and school dropouts, and to encourage troubled adolescents to return to school.

(1) Dropout Prevention and Recovery Act: Addresses the problem of school dropouts by providing $58.5 million for a new effort to gather uniform, nationwide information, and to develop and fund demonstration projects aimed at keeping potential dropouts in school, and returning others back to school.

(2) School-Based Comprehensive Service Centers: Offers a range of services like health, counseling, and child care that meet the special needs of students, including those at risk of pregnancy, pregnant adolescents, teen parents, and potential dropouts, by providing $100 million for school-based comprehensive service centers. One successful 10-year program reduced the fertility rate for the school female population dramatically, and ensured that 87 percent of pregnant students graduated from high school.

(3) School-Based Student Enterprises: Broadens students' vocational experiences and improves academic skills by providing $10-million for school-based student enterprise projects.

(4) Effective Schools Development Act: Encourages and supports creative school-based projects of demonstrated success to improve the education offered to students by providing $100 million.

(5) University-High School Partnerships: Improves preparation of disadvantaged students for post-secondary education or employment

through partnerships among universities, high schools, community-based organizations, and businesses and funded at $25 million.

(d) Higher Education: The following changes in the Higher Education Act increase the availability of child care for low-income college students.

(1) Child Care Services: Makes child care services available to low-income first generation college students by providing $15 million for this purpose.

(2) Child Care Work Experience Programs: Increases the availability of child care services by providing $10 million for work experience in this area.

(3) College-Based Child Care: Expands the supply of child care facilities by providing $50 million for construction, reconstruction, and renovation of facilities on college campuses.

Section 5: Child Nutrition and Food Stamps: All children need adequate nutrition to grow up healthy and without developmental problems. Yet every night, too many of America's children go to bed hungry. This section improves and expands existing food programs to provide children and families nutritional assistance. Several of the provisions were recommended by the Presidential Task Force on Food Assistance.

(a) School Food and Other Child Nutrition Programs: Provides more adequate food and nutrition for children by improving eligibility and reimbursement levels for the School Lunch, School Breakfast, and Child Care Food programs. Reauthorizes the Summer Food, Nutrition, Education, and Training—Section XIV—of the National School Lunch Program and the State Administrative Expense Program with technical changes. The improvements would cost approximately $220 million.

(b) Food Stamps—Benefit Levels Adjustment: Ensures needy families food assistance benefits based on the projected average costs of the Thrifty Food Plan for each fiscal year. The Thrifty Food Plan is the minimal food plan devised by the U.S. Department of Agriculture, but benefits fall below the cost of the Plan due to unnecessary time lags in benefit adjustment. This provision will assure more adequate food assistance at a cost of $500 million to $600 million.

(c) Food Stamps—Work Related Expenses: Restores from 18 percent to 20 percent the proportion of wages that a working poor family can allocate to work-related expenses and taxes. Since 1981, when the deduction was lowered, 1.3 million working families have lost all or some of their food stamps. The estimated cost is $50 million.

(d) Food Stamps—State Option for Monthly Reporting and Retrospective Accounting: Converts these burdensome and costly federal mandatory procedures into a state option, and requires those states that elect retrospective accounting to provide supplemental benefits for families that experience a sudden, significant loss of income and would be harmed by the state's accounting method, at an estimated cost of $0 to $25 million.

(e) Food Stamps—Asset Limit Adjustment: Assists needy families, especially unemployed families, by raising the asset limit (both overall and for cars) to partially reflect the increased cost of living since 1971 when the current limit was set. This provision was recommended by the President's Task Force on Food Assistance and costs about $200 million.

(f) Food Stamps—Child Care Deduction: Assists low-income working mothers with child care expenses by restoring the separate child care deduction. This provision would cost about $15 million.

(g) Food Stamps—Shelter Cost Adjustment: Assists needy families with very high shelter costs by raising the maximum shelter deduction from $134 to $155. This is especially important for families whose heating bills have soared in recent years, forcing them to choose between heating and food for their families. The provision would cost about $75 million.

(h) Food Stamps—Reinstate Outreach Program: Informs eligible families of the rules, requirements, and application procedures for food stamps by reinstating the outreach component abolished in 1981. Many of the neediest families remain outside the Food Stamp Program because they do not understand eligibility requirements. The cost of this provision is $5 million to $10 million.

(i) Food Stamps—Modify Residency Requirement: Assures homeless persons food stamps by modifying current residency requirements. Currently, some of the most destitute people are denied food stamps because they have no "residence." This provision was recommended by the President's Task Force on Food Assistance, and the costs are negligible.

(j) Food Stamps—Child Support Disregard: Helps needy families by extending the $50 AFDC Child Support disregard to food stamps. This provision, which facilitates uniform program administration, also encourages more effective child support enforcement. The estimated cost is $50 million.

Section 6: Family Support: AFDC—Aid to Families with Dependent Children—is the program of last resort for millions of women and children in poverty. It is a frayed lifeline, however, barely providing for necessities, and serving less than half the families in poverty. This section proposes to increase the support available to those most in need and to assist families to become more self-sufficient.

(a) Increase Support for Needy Families: The average support for each child on AFDC is $3.67 per day. This is a meager amount that must cover all shelter, clothing, and other necessities, and is an amount that has actually decreased in value in recent years. The following provisions propose a gradual step-by-step movement toward a minimum national benefit level for AFDC families.

(1) State Incentives to Increase Benefits: Helps families in need by encouraging states to maintain the purchasing power of AFDC benefits against inflation by offering a higher federal matching rate to states that increase benefits. This would reward states that have increased benefits and encourage other states to do so at a cost of approximately $300 million.

(2) State Standards of Need Adjustment: Requires states, by October 1, 1988, to adjust their state needs standards to fully reflect changes in living costs over the last 20 years. The standard is a state figure that purports to represent, but rarely does,

the amount of money families need for reasonable subsistence. It is used for various AFDC eligibility computations. Congress last required an adjustment in 1969, and few states have since adjusted their standard commensurate with inflation.

(3) National Minimum Benefit: Helps children in eligible poor families by ensuring them, effective October 1, 1989, support—AFDC and Food Stamps—at least equal to 75 percent of the federal poverty level. States would then be encouraged to continue to raise benefits. The minimum benefit would increase AFDC levels for a family of three in 41 states and affect 60 percent of the children currently receiving AFDC.

(b) Improve Work Incentives: The following provisions would assist families struggling to become self-sufficient while working at very low wages to support their families.

(1) Education and Training Program for Pregnant Women and Mothers with Young Children: Encourages comprehensive education, training, and employment programs for pregnant women and mothers with children under six on AFDC by providing grants to states for the development of programs in which eligible mothers may voluntarily participate. The programs will be designed to meet the individual needs of participants, and include a range of support services, like child care, at an estimated cost of $400.

(2) Tax Credit Exemption: Provides work incentive for AFDC recipients by requiring states to disregard the Earned Income Tax Credit (EITC) refund from countable income in determining eligibility and benefit levels. The EITC is specifically designed to help low income working families, but the current policy of treating it as income for AFDC purposes is counterproductive and creates an inequity between AFDC working families and other poor working families. The estimated cost of this provision is $50 million.

(3) Child Care Funds: See Section 2(a)(8).

(4) Eliminate Time Limit on Work Incentives: Allows AFDC recipients with very low paying jobs to supplement their income with a partial AFDC grant for the full duration of their employment, rather than limiting work incentives as is now the case. This will cost approximately $300 million.

(c) Extend Aid to Adolescents and Others with Special Needs: The following provisions recognize the special help adolescents, including teen parents, need in order to support themselves and their families.

(1) Eliminate Provisions Which Penalize Families Where Minor Parents Reside with Their Parents: Encourages family stability by repealing the provision that requires the deeming of a grandparent's income to a grandchild for purposes of AFDC eligibility and benefit levels even when the grandparent is not contributing to the child's support. Also repeals a provision that requires the inclusion of all parents and minor siblings, except step siblings and Supplemental Security Income (SSI) recipients, in the AFDC unit. These provisions are particularly detrimental to adolescent mothers attempting to provide adequate care for their young children by residing with parents or other family members, and their elimination will cost approximately $140 million.

(2) Aid for High School and Vocational School Students 18 and Over: Encourages graduation from high school and vocational school by requiring states to continue AFDC benefits to children in school through age 20. This will allow many low-income disadvantaged students to complete their education at a cost of approximately $160 million.

(3) Aid for Pregnant Women: Encourages infant health by requiring states to provide AFDC to pregnant women with no other children from the point the pregnancy is medically verified, rather than allowing coverage only from the sixth month. This will make prenatal care more likely and help ensure adequate nutrition and shelter during the pregnancy at a cost of approximately $30 million.

(d) Families: The following provisions require that all states implement the AFDC Unemployed Parent Program and take steps to minimize the negative impact of AFDC requirements for children living with stepparents.

(1) Coverage of Families Under the AFDC-Unemployed Parent Program: Helps children in needy families where both parents are unemployed by requiring states to provide assistance, with a state option for revising categorical restrictions that limit coverage. This will help families stay together and ensure family stability at an estimated cost of $1.2 billion.

(2) Fairer Treatment of Stepparents: Conforms treatment of stepparent income in determining AFDC eligibility and benefit levels more closely to that of other AFDC family members. Currently some of a stepparent's income must be deemed available to the AFDC unit with which he is residing regardless of his actual contribution or legal obligation to do so. This provision will increase the amount the stepparent is allowed to disregard for his own support, and allows stepparents employed part time—as well as those employed full time—the full $75 work expense deduction applied to other workers in the AFDC unit. The provision is estimated to cost no more than $50 million.

Section 7: Tax Reform: The federal tax system places a large and growing burden on those least able to pay—working families in poverty. Single parent families and large families are hardest hit as they struggle to support their families on low wages. This section includes a number of proposals to relieve the federal tax burden on low-income working families and bring greater fairness and equity to the federal tax system.

(a) Tax Relief for Working Families: Provides tax assistance to low income working families by expanding and indexing the Earned Income Tax Credit (EITC). Eligibility for the EITC would be extended to families earning up to $16,000 per year, the maximum credit increased to $800, and the EITC indexed to maintain the value of the increase in future years. The provision would cost about $3 billion when fully implemented.

(b) Tax Relief for Working Families with Children: Provides tax relief to families with children by increasing the EITC for eligible families by $50 for each dependent child, and by an additional $50 for each child under six. The provision also requires states to disregard the EITC refunds from countable income in determining AFDC eligibility and benefit levels. The total cost is approximately $470 million.

(c) Tax Relief for Single-Parent Working Families: Provides tax relief for many female-headed families who pay disproportionately higher taxes than two-parent families by increasing the zero bracket amount (or standard deduction) for heads of households to the amount allowed for married couples filing jointly. This provision would cost about $1 billion in 1986.

(d) Dependent Care Tax Credit: Helps families with child care expenses by increasing the maximum Dependent Care Tax Credit to 50 percent of expenses and by making the credit refundable. This change costs approximately $700 million.

Section 8: Employment and Training: Employment and training are critical incentives for economically disadvantaged youth to avoid early parenthood and to become self-sufficient adults. Yet thousands of young adults, including teens at risk of pregnancy and those with children of their own, do not have adequate skills or training to secure jobs that will allow them to support themselves and their families. This section expands the successful components of the Job Training Partnership Act (JTPA) so that more adolescents and young adults receive the basic training, support services, work experience, and wages necessary for self-sufficiency.

(a) Job Training Partnership Act (JTPA): Assists economically disadvantaged adults and youth to secure training and employment by providing $4.7 billion (an increase of $700 million) for programs under Title II-A of JTPA with special efforts to recruit youths at risk of adolescent pregnancy, youths from public assistance families, and adolescent parents, and increase the funds set aside for child care and transportation services necessary for effective participation. This provision would also improve coordination between JTPA programs and other educational programs such as Basic Adult Education and Vocational Education.

(1) Summer Youth Employment Program: Ensures individualized youth programs by converting existing summer youth employment programs to a program that combines a youth's basic academic and remedial education activities with work experience, and appropriating $824 million (an increase of $100 million) for JTPA Title II-B, the Summer Youth Employment Program. Provision also requires each Private Industry Council to contribute a percentage of local funds in order to obtain additional federal funds above the amount available in the preceding fiscal year.

(2) Job Corps: Serves additional disadvantaged youth by providing $700 million (an increase of $100 million) for JTPA Title IV-B Corps.

(b) Minimum Wage Level: Helps low income working families by increasing the current minimum wage from $3.35 to $4.00 an hour. This change would reflect the 20 percent inflation since January 1981 when the minimum wage was last adjusted.

TITLE II: Reform and Elimination of Tax Subsidies and Weapons Systems

This title proposes the elimination of several large tax subsidies that have allowed wealthy individuals and corporations to escape their fair share of federal taxes. For example, 128 major and profitable American corporations paid no federal income taxes in at least one of the last three years, and many actually received substantial refunds from the federal government. These changes, many proposed by the U.S. Department of Treasury, will ensure a more equitable tax system, and together with the elimination of the MX missile system will contribute over $40 billion to the federal treasury in the 1986 fiscal year. This is more than enough to finance the preventive investments in children and families proposed in Title I, while reducing the deficit by more than $25 billion.

(a) Luxuries: Reinstates the 10 percent excise tax on jewelry, furs, and other luxury items repealed in 1967, contributing $2.5 billion to the federal treasury.

(b) Liquor: Restores the excise tax on alcoholic beverages to the percentage amount levied in 1951. Currently the percentage has dropped by one half, and doubling it contributes $3.8 billion to the federal treasury.

(c) Cigarettes: Doubles the tax on cigarettes from 16 cents to 32 cents per pack rather than cutting the tax in half as is scheduled to take place this year. This proposal would help discourage smoking—especially among adolescents and pregnant women—and would contribute about $5 billion to the federal treasury.

(d) Boats: Places a 10 percent excise tax on the sale of all recreational boats and would contribute about $100 million.

(e) Business Meals and Entertainment: Excludes the cost of business expense account meals, entertainment, and travel as proposed by the U.S. Department of Treasury, adding $1.5 billion to federal revenues. At a time when children and families are giving up meals essential to minimal health and nutrition, fiscal austerity should also extend to business meals and entertainment.

(f) Excessive Write-offs for Corporate Investment: Repeals two of the largest, interrelated tax breaks for corporations—the accelerated cost recovery system and the investment tax credit—and replaces them with depreciation rules that are based on the actual cost to the companies. The U.S. Department of the Treasury recently recommended this change, which will add $18 billion in federal revenues the first year, and additional revenues thereafter.

(g) Oil Extraction Tax Shelter: Repeals the excess percentage depletion and intangible drilling expenses, one of the largest tax shelters for the oil industry. Repeal of this shelter will add $6.8 billion to the federal treasury the first year, with additional revenue in future years.

(h) Capital Gains Tax on Large Estates: Eliminates a tax break for people who inherit large estates—the automatic exemption from capital gains tax on the long-term assets—contributing $1 billion to the federal treasury.

(i) MX Missile System: Eliminates the MX missile system, saving $2.5 billion in FY 1986. The preponderance of evidence indicates the costly MX missile system can be eliminated without threat to national security. While the same may be true of other weapons systems, elimination of the MX is necessary in light of the critical needs of children and adolescents. ☐

"Look into my eyes and tell me to grow up poor."

Tell them they can't see a doctor when they're sick. Tell them they won't be immunized against childhood diseases.

Tell them they'll go to bed hungry. Tell them they won't get the education they need to make things better for themselves and their own children.

Find it painful, face to face? Then do it indirectly.

Cut children's health programs. Cut funding for prenatal care, dental care, preventive health care, public health.

Take money away from the nutrition programs serving children best. Cut food stamps for poor working families. Cancel school lunches. Slash child care services.

Then decrease funds for schooling for the disabled and the disadvantaged.

In recent years, America has turned its back on children in need, denied them basic help, made their lives harder. Told them, in other words, to grow up poor.

Abandoning children to poverty is a radical departure from our strongest traditions of compassion and caring. And we think you'll agree it's time to turn things around.

Write us for facts and ideas. We'll show you how to make a world of difference.

DEAR LORD BE GOOD TO ME THE SEA IS SO WIDE AND MY BOAT IS SO SMALL

Children's Defense Fund
122 C Street, N.W., Washington, D.C. 20001
(202) 628-8787

Produced by Public Media Center

6. Health

Carmela Mendoza, a 16-year-old Texas resident, was admitted in labor to an Austin hospital on August 14, 1983. Carmela's family was poor and had no health insurance. Carmela had received no care during her pregnancy. Her labor was rapid and spontaneous, and thus according to hospital officials "there was no opportunity for transfer." She gave birth to a baby girl, weighing three pounds, seven ounces, which is slightly more than half the normal birthweight. Doctors attributed the baby's weight, which placed her at high risk, to Carmela's total lack of prenatal care.

Four days later, despite the risks facing the baby, hospital officials discharged Carmela and her daughter. While the hospital admittedly had no facilities for treating high-risk infants, no attempt was made to transfer the baby to a more appropriate institution. Hospital officials noted later to investigators that the hospital did "not have a minimum weight requirement for infants to reach before they are discharged." No attempt to arrange any follow-up health or social service care for the mother or baby was made. When the infant was discharged, she still weighed less than three and one-half pounds.

The next day, on August 19, Carmela returned to the same hospital with her baby. The baby was "eating poorly and felt warm." After trying to bring the baby's fever down, the attending doctor began a search for a neonatal intensive care bed for the infant. One was finally found at another hospital's regional neonatal center, and the baby was transferred there by ambulance.

Carmela's baby then spent 25 days in the intensive care unit. The discharging doctor noted that Carmela's baby had been inappropriately discharged initially by the first hospital at such a low birthweight, because she was suffering from failure to thrive, "exaggerated bilirubin", and "at risk for developing anemia of prematurity as she grows." The discharging physician arranged to enroll the baby in the WIC program, a federal program providing food supplements and health care to poor women and children at nutritional risk, and to have her followed by a nurse.

> The average cost for neonatal intensive care is about $1,000 a day. For a total of about $600, Carmela could have received comprehensive prenatal care, including vitamins and nutritional supplements. These steps might have avoided the greater human and financial costs.

In the United States, where national health expenditures totaled over $300 billion last year, millions of infants, children, and pregnant women fail to receive necessary health care:

- In 1982, one out of every 20 pregnant women and one out of every 10 pregnant black women received either no prenatal care or none until the final three months of pregnancy. Among pregnant women under the age of 20, one in nine received little prenatal care or none at all. Babies who are born to women who receive no prenatal care are three times more likely to be born at low birthweight and these babies are 20 times more likely to die in the first year of life, or to suffer handicapping conditions.
- One out of every four black children and one in three Mexican-American children did not see a physician at all in 1980. Even among children who were sick, black children received only three-quarters of the medical care received by white children.
- One out of every three black children has never seen a dentist.

The major cause of these disturbing facts is poverty, which is rampant among children. One out of every four children under the age of six and one out of every two black children lived in poverty in 1983.

With poverty comes inadequate health insurance and thus, inadequate health care. In this country, insurance is the key to obtaining adequate medical services. We do not provide public health clinics for all uninsured persons, and private charity covers only a fraction of their needs.

Yet, as of 1982, 32.7 million Americans under age 65 -- one person in six -- had no health insurance. The majority of the uninsured are poor. Almost two-thirds had family incomes that were less than twice the federal poverty level, $10,200 a year for a family of four. Moreover, the uninsured are growing poorer. In

1979, 25 percent of the uninsured had family incomes below the poverty level. The percentage had swollen to 32 percent by 1982.

The uninsured are not only growing poorer: their numbers are increasing dramatically. The problem of medical indigency, which has always been serious in the United States, has spread rapidly in recent years. Because family income and employment status are the major factors that determine whether or not a family has health insurance, the rise in unemployment caused by the early-1980s recession led to an increase in the number of uninsured -- from 14 percent to 16 percent of the under 65 population.

Many of these families may never regain their previous health insurance coverage, because many employers, in an effort to cut costs, are now limiting health insurance coverage for working families. The Congressional Budget Office estimated that, even prior to these developments, 50 percent of America's uninsured children lived with an insured family head whose employer-provided insurance did not include the rest of the family.

Just as the problem of poverty disproportionately afflicts a child, so does being uninsured. Children are over-represented among the uninsured. In fact, they make up 36 percent of all uninsured persons under 65. Today 11.7 million children under age 19 -- one in every six children -- has no health insurance. And one in every seven women of childbearing age -- 6.6 million women -- is uninsured.

For poor and uninsured children the picture is particularly grave. For them there is no health care "safety net"; neither health insurance nor the money to pay for medical services. Unlike poor senior citizens, these children cannot fall back on government-sponsored health insurance coverage provided by the Medicare and Medicaid programs. Two out of every three poor or nearly poor children are either always uninsured or else are insured for only part of each year, say researchers. Translated into 1984 poverty levels, this means that 4.3 million poor children have no health insurance and another 4.3 million are insured for only part of each year.

The Uninsured Have Difficulty Obtaining Adequate Health Care

Extensive research has documented that persons without health insurance are unable to obtain the care they need:

- Studies comparing use of hospital and outpatient medical care by sick persons found that the uninsured sick received 50 percent less hospital care and 75 percent less ambulatory nonphysician services, such as prescribed drugs.

- In its 1982 study of access to health care, the Robert Wood Johnson Foundation found that one million families were refused care when they sought it because they were unable to pay for it. The study also found that the poor were almost twice as likely as the nonpoor to be unable to obtain any care.

- A federal study examining the health status and health care utilization patterns of a group of uninsured families (widows and children receiving Social Security Survivors benefits) found that while children in these families were more likely to be sick than in the general population --twice as many families reported having a child in fair to poor health -- these uninsured children received only 75 percent of the medical care of children in the general population.

- Researchers at the National Center for Health Statistics found that, adjusting for health status, the poor received substantially fewer services than the nonpoor: 3.5 to 4 visits per year vs. 5.2 visits per year. Disparities in the use of important preventive services were particularly striking: low-income women were less likely to receive prenatal care, Pap smears, and breast exams, and young low-income children were less likely to be immunized.

Furthermore, there are indicators that access to medically necessary care has been reduced even further in recent years. After a decade of progress in the 1970s, during which increasing numbers of women received prenatal care in the crucial first three months, the upward trend had all but stopped by 1982. For black women, the trend actually began to reverse itself. Between 1979 and 1982, the percentage of all women beginning prenatal care in the first three months of pregnancy remained unchanged at 76 percent. Among black women, the percentage receiving early care actually declined between 1981 and 1982 from 62 to 61 percent. Additionally, the percentages of women receiving late or no prenatal care increased from 4 to 5 percent among white women and from 9 to 10 percent among black women.

These disturbing health statistics mean that the health care improvements for infants, which were a hallmark of the 1970s, may slow or halt as we approach 1990. They point in the opposite direction of the goals that we as a nation have set in the area of public health.

In 1979 the Surgeon General of the United States established the following objectives for the nation in the area of infant health, recently reaffirmed by the Surgeon General of the current administration:

- By 1990, 90 percent of all pregnant women should receive prenatal care in the first three months of pregnancy.
- By 1990, no more than 5 percent of infants should be born at low birthweight, and no more than 9 percent of infants from any racial or ethnic subgroup should be born at low birthweight.
- By 1990, infant mortality rates should not exceed 9 deaths per 1,000 live births, and infant mortality rates for racial or ethnic subgroups should not exceed 12 deaths per 1,000 live births.

This year, the Children's Defense Fund undertook its second annual national survey of state vital statistics on infant births and deaths to measure the nation's progress in meeting these three modest goals. CDF's survey, which included a review of national birth and mortality statistics from 1978 to 1982 and a review of state birth and mortality data between 1978 to 1983 revealed the following alarming trends:

- The nation's rate of progress in improving pregnant women's access to early prenatal care is so slow that, unless an annual rate of progress improves by 600 percent per year between now and 1990, it will not meet the Surgeon General's goal for prenatal care. For nonwhite women, the annual rate of progress must improve by 700 percent per year in order to meet the goal.

- The annual rate of progress in reducing the number of infants born each year that weigh 5.5 pounds or less is equally disappointing. Unless the rate of progress improves by 300 percent each year, the nation will not meet the Surgeon General's goals.

- Progress in reducing the number of black infants who die each year is so slow that the nation would have to boost its annual rate of progress by 170 percent each year, to meet the Surgeon General's goal.

See the Appendix for state-by-state rankings.

The rate of progress on meeting these goals is literally a matter of life and death for thousands of babies. Between now and 1990, 22,000 babies will die in America, primarily because they were born too small to survive. Many more will be handicapped for life. We can prevent 2,700 of these deaths -- one out of every eight -- simply by making sure that expectant mothers receive adequate prenatal care. Another 13,800 deaths in which low birthweight plays a major role may be reduced if mothers receive early prenatal care.

Despite the high cost in lives, and our proven ability to avert this tragic cost, there is reason to believe that America's rate of progress in these crucial areas may slow even further in the coming years.

Health Providers Will Not Meet Poor Families' Needs with Charity Care

As the number of uninsured poor has swelled and the demand for free health care has grown, an increasing number of health care providers are cutting back on the amount of subsidized care they will provide. Cost containment, cutbacks, and competition for shrinking private and public health insurance dollars means that no one wants to compete for the uninsured.

- The health needs of the uninsured are putting a heavy cost burden on hospitals: according to information collected by the National Center for Health Statistics as part of its annual National Hospital Discharge Survey, about a half million women who delivered babies in hospitals in 1983 were uninsured.

- It has been estimated that 40 percent of all hospital care for uninsured patients involves obstetrical cases, and that this care adds up to over $1.5 billion per year in hospital charges.

- Uninsured women and children are so prevalent in some areas of the country that two out of every three white female newborn patients in southern public hospitals will be uninsured this year, researchers say. In north central hospitals, one out of every two white newborn females will be uninsured. In western hospitals, two out of three white newborn female infants will be uninsured.

Even more ominous is the fact that uninsured newborns represent the most expensive charity care cases that a hospital can have, thereby increasing the pressure on hospitals to stop providing charity care to these babies. At one hospital, very sick newborn infants represented only one percent of all uninsured patients but nearly 20 percent of all uncompensated care dollars that were provided. This is because the cost of providing life-saving care to a high-risk infant is enormous. An average bill for a high-risk newborn in Georgia, for example, exceeds $11,000. Very sick babies are more likely to be born to women who, because of poverty and lack of health insurance, received little or no prenatal care during pregnancy. Thus, it is the very poorest and least uninsured babies who are in the greatest need of care and who will be the least able to get it.

Given the pressures for cost containment and the large costs of caring for medically indigent women and children, there exists a real danger that hospitals will begin to reduce the amount of indigent care they furnish. There are already warning signs of this trend. Between 1981 and 1982, 15 percent of hospitals serving large numbers of poor patients adopted specific limits on the amount of charitable care they would provide. Some hospitals -- apparently in response to the high costs involved and the large numbers of children who cannot meet them -- have cut out their newborn intensive care services entirely. These trends indicate that uninsured children can indirectly constrict the availability of services for all children.

These reductions in specialized hospital care for women and children are dangerous at an even deeper level. Between 1965 and 1979 infant mortality rates declined by more than 40 percent in the United States. These dramatic declines were not the result of more preventive health care and the birth of healthier babies. Instead, they were the result of the development of very specialized intensive infant care hospital services that now permit us to keep babies alive who would certainly have died 20 years ago. While the number of babies in need of the care is not declining, these special services are in danger of shrinking, and the number of babies whose families cannot afford to pay for them is growing.

Medicaid Coverage Limitations Block Access to Care

Some poor children and pregnant women are able to get health care coverage through public programs. But states and the federal government have placed several restrictions on the extent of their insurance coverage. This blocks their access to adequate health care in a number of ways.

First, over a dozen states place major limits on the number of inpatient hospital days for which they will pay. In five of these states, hospital coverage is limited to less than 30 days per year while some infants need longer stays. In these states, high-risk newborn infants and very sick children who face extended hospital stays and possible rehospitalization are in jeopardy. Providers may decide not to serve them because their insurance is inadequate to pay for the full extent of care they need.

Second, a number of states now limit the number of visits beneficiaries can make each year to physicians' offices and clinics. These limits may seriously impede access to medical care, so many high-risk pregnant Medicaid beneficiaries who need much more frequent medical attention during and after pregnancy may find themselves without the health insurance to pay for it.

Finally, many states have reduced or frozen Medicaid provider reimbursement rates in order to save money. The lower reimbursement rates have resulted in a shortage of obstetricians who are willing to treat pregnant Medicaid recipients in many areas. In Massachusetts, for example, critical obstetrical shortages are reported in both the western and eastern parts of the state, with no participating obstetricians in the town of Holyoke. Similarly, the administrator of the Suffolk County, New York, Medicaid program reports that several hundred Medicaid recipients in one of the nation's wealthiest suburban counties gave birth last year with little or no prenatal care because no obstetrician would treat them.

These various problems with Medicaid coverage have a direct impact on how many poor people are treated by some health care systems.

> At midnight, January 7, Michael Rogers' father, John, rushed his baby son to the emergency room of a regional medical center in Baton Rouge, Louisiana. The baby, suffering from a rare blood disease, had become very ill. The baby was a Medicaid recipient.
>
> When John arrived at the hospital with Michael, the admissions staff told him that the baby's situation was very serious and that they were taking all necessary steps. The baby was rushed into blood tests, which confirmed that the baby was in need of a sizable blood transfusion.
>
> John was then sent to the admissions office. He told the admissions personnel that his baby was a Medicaid recipient. The attending physician then told John that they would not take care of the baby because Michael was a Medicaid beneficiary.
>
> John pleaded with the physician to take the baby and told them that he "was ready to sign a check that night to save my baby because his red cell drops (sic) rapidly and he may not make it to the other hospital. Plus my car is not running good and I am afraid to move him from here at 12 midnight." The doctor told John that it was only 10 minutes from there to a hospital that treated Medicaid patients.
>
> However, it took John 40 minutes to get to there. When they arrived the baby's blood count had worsened and his heart beat was over 210 per minute. Fortunately, the baby survived the ordeal.

Current Federal Programs Fall Short of Meeting Need

Medicaid. The largest public health program for mothers and children, Medicaid, represents 55 percent of all public health funds spent on children. It accounts for 26 percent of all hospital payments, public and private, made on behalf of children under age six, 17 percent of all hospital payments made on behalf of adolescents, and 30 percent of all payments for hospital deliveries of teenage mothers. Medicaid has dramatically improved women's and children's access to health care, and has consequently been linked to improved health status among newborns and children. This program has also helped to ensure that hospitals have a large enough pool of paying young patients to sustain a full range of essential child health services.

Moreover, Medicaid has been shown to be cost effective. Researchers have demonstrated that for every dollar spent to provide comprehensive maternity care for Medicaid-eligible pregnant women, two dollars can be saved in the first year of an infant's life alone because of improvements in birthweight rates and a consequent reduced need for hospital care. Ongoing preventive health care for Medicaid-eligible children has been shown to reduce health problems and has cut program costs by nearly 10 percent for children who receive it.

Yet, even prior to the recent growth in medical indigency, the Medicaid program was seriously inadequate. It reached fewer than half of all poor children in 1980. In 22 states the program actually reached less than 40 percent of children living in poverty.

There are two reasons why Medicaid reaches so few poor children. First, states maintain very restrictive categorical eligibility standards. Over half of all states still fail to provide coverage for children aged five and older in two-parent families no matter how poor they are, simply because two parents live at home.

Second, states have frozen financial eligibility requirements for the program at extremely low levels. For example, in some states, monthly Medicaid financial eligibility standards for a mother and three children are less than 25 percent of the federal poverty level.

In the past four years, while childhood poverty was soaring, the number of children receiving Medicaid benefits was declining. The growth in poverty added over three million new poor children to those in need, bringing the total number of poor children in 1983 to 13.3 million. Yet, both the Medicaid and the Aid to Families with Dependent Children (AFDC) programs -- eligibility for which generally determines a child's entitlement to Medicaid benefits -- were cut at the same time. In all states, the AFDC program has failed to keep pace with inflation. For these reasons, the number of children receiving Medicaid actually declined by 366,695 between FY 1982 and FY 1983, from 11,110,328 to 10,743,633. At the same time that childhood poverty was exploding, therefore, the number of children receiving Medicaid benefits was declining.

A comparison of Medicaid usage during the 1974-76 recession and the recession that reached its peak during FY 1983 presents a stark contrast. When the recession of the 1970s was at its height, the correlation between the Medicaid recipient rate for children and childhood poverty rates reached approximately 95 percent. Had this correlation been present in FY 1983, 12,635,000 children would have received benefits. The actual recipient count for FY 1983 of 10,743,633 is thus not only hundreds of thousands fewer than it was in FY 1982, but represents a decline of almost 2 million children when compared to the program's performance levels during the recession of a decade ago.

Even for children who do receive it, the Medicaid benefits package is inadequate. The level of benefits provided is at the option of the individual states, and thus varies. Both the services covered and the extent of coverage are too limited to address the range of health problems the poor face. Other public health programs to serve poor and uninsured children reach even fewer of the needy.

Title V of the Maternal and Child Health (MCH) Block Grant. This block grant is the only health block grant program devoted exclusively to the health of women and children. It is a small but important source of maternity and pediatric care for poor women and children, which funds limited services provided for free by hospitals and public health clinics. In 1982 the program provided prenatal care to hundreds of thousands of pregnant women and checkups, immunizations, and specialized care to several million children. Yet the program is able to provide only a fraction of the care that medically indigent women and children need. In 1982, for example, state MCH agencies were able to provide prenatal care to only 409,000 women out of approximately 650,000 uninsured women who gave birth that year. Moreover, according to 33 state Maternal and

Child Health agencies reporting in 1982, only 37 percent of these women began receiving care in the first trimester of pregnancy. Seventeen percent of women who received prenatal care from public health agencies through MCH that year -- over three times the national average -- received no care until the final months of pregnancy or received none at all.

The Community and Migrant Health Centers, Family Planning, and the Childhood Immunization Programs. In 1981, 827 community health centers provided comprehensive care in the most medically underserved urban and rural areas of the nation. In addition, some 128 migrant health centers reached families in the migrant stream, a population in which almost 20 percent of women -- four times the national average -- receive little or no prenatal care, and in which nearly half of all women have experienced at least one out-of-hospital birth. Studies have shown that community and migrant health centers deliver care that is high quality and cost effective, and that can reduce hospitalization rates between 25 and 44 percent. Yet, today only a fraction of all medically underserved communities have such health centers. Where there are centers, they are able to serve only a small number of the poor in that community.

Family planning and health education is another cost-effective program that is underfunded. During 1981, over 4.5 million young women and mothers received family planning and health education services at about 5,000 family planning sites nationwide. In addition to delivering important health services, the programs yield a documented savings of $1.80 for every $1.00 invested. Yet today, it is estimated that millions of women in need of family planning services do not have them because affordable care is not available.

We are losing ground in our valuable immunization program. In 1981, the federal Childhood Immunization Program provided an estimated 16.6 million doses of no-cost vaccines for over 6 million children. A Centers for Disease Control study shows that the $180 million spent over several years on a measles vaccination program saved $1.3 billion in medical care and long-term care by reducing deafness, retardation, and other problems. Yet today, less than half of black preschool children are adequately immunized against diphtheria, pertussis, tetanus, and polio.

Federal Funding Shifts Over the Past Four Years

Substantial reductions in funds for all of the major public health programs for poor women and children have diminished their capacity to serve low-income families. After making deep cuts in 1981 and 1982, the Congress rebuffed the Reagan administration's continuing attacks on health programs and restored some of the funding. In the case of Medicaid, Congress in 1984 eliminated a financial penalty that had been attached to federal Medicaid payments to states between FY 1982 and FY 1984 and added new coverage for certain pregnant women and children.

However, these changes do not erase the hundreds of millions of dollars lost from Medicaid between 1982 and 1984. They also do not undo the new limitations written into the program, under which hundreds of thousands of children continue to lose benefits and millions more are denied aid. Until the law is changed, these provisions will result in a denial of aid to unborn children, to children whose families have incomes that are more than 85 percent of state AFDC programs' standard of need, and to many others.

In the discretionary health programs -- Title V, Community and Migrant Health Centers, Family Planning, and Immunizations -- Congress began to restore funding in 1983 and 1984. Yet, these programs' FY 1985 appropriations levels are still less than their FY 1981 levels in constant service dollars.

CDF Recommendations

In the short run, major modificationis in existing public health programs are needed to meet the needs of more women and children. In 1981, the nation spent $2.3 billion to hospitalize sick infants, and Medicaid paid 27 percent of that bill: over $600 million. Many of the infants who required intensive care might not have needed it had their mothers received adequate prenatal care. It has been estimated that nearly all pregnant women living below the federal poverty level could be provided with Medicaid benefits for comprehensive prenatal and delivery care for about half of what it costs the Medicaid program to hospitalize sick children in their first year of life. Thus, when we are asked whether the nation can afford maternal and child health reforms, our reply is that the nation cannot afford not to make these reforms.

The Children's Survival Bill includes several provisions that begin to move us in the direction of improving health coverage for poor women and children. As first steps, the Bill would:

- Strengthen the Medicaid program for poor and uninsured pregnant women and children by expanding minimum eligibility requirements. It would provide coverage in FY 1986 for all pregnant women and children under age six living below federal poverty levels. In FY 1987, coverage should be further extended to all children under the age of 18. This should not be expensive because older children are very low utilizers of health care. But inadequate preventive care for school children (including checkups, eyeglasses, corrective treatment for hearing and developmental problems, and dental care) can mean the difference between a healthy and productive child and one handicapped for life.

- Establish a mandatory benefit package for pregnant women who are covered by Medicaid so that they receive all medically necessary care. Comprehensive prenatal care has been shown to save up to a dollar for every dollar spent if all long-term institutionalization costs for handicapped children are calculated. Yet in many states, services critical to a healthy pregnancy -- adequate hospital and medical care, health education, vitamins, and support services -- are not provided or else are available only in inadequate amounts.

- Increase funding for the MCH Block Grant, Community and Migrant Health Centers, Family Planning and Immunization programs. These programs are of great importance to the millions of poor and nearly poor families with children who have no health insurance and are also vital to Medicaid recipients who cannot find private doctors willing to treat them.

In the long run, we must replace this patchwork of public health programs with a national health policy that makes decent health care available and affordable to all Americans, including the poor. Those who cannot secure adequate health insurance for their families through the work place must be afforded coverage. Moreover, this health coverage must be part of the same system of coverage that is utilized by the nonpoor, in order to end the often discriminatory and inadequate treatment of the poor under our current public health system. A uniform system of health benefits, coupled with appropriate cost controls and an emphasis on preventive services, will help America control the growth of spiraling health care costs. Health care should be allocated based on medical need and not on whether a child is the son of a privately insured banker or a Medicaid-insured housekeeper.

Along with a national plan for health coverage for the uninsured, the nation needs a program of grants to support comprehensive health care providers in areas of the country where private providers are not willing to practice. The Community and Migrant Health Centers programs should be sufficiently expanded so that no underserved area of the nation will be without a source of comprehensive preventive health care. Similarly, the Title V MCH Block Grant and Family Planning program should be enlarged and strengthened in order to provide state public health departments with the resources to ensure that all pregnant women and children receive the health and supportive services they need and that systems of maternity and pediatric care are in place in every locality.

President Reagan's Proposals for FY 1986

The Reagan administration proposes to take the following actions in FY 1986 in the area of maternal and child health:

- Reduce Medicaid payments by $1.1 billion by placing a "cap" on federal Medicaid payments to states. Beginning in FY 1987, federal payments would be permitted to grow at the annual medical care inflation rate (currently 6.8 percent). The administration projects "savings" of $6 billion. This cut would be accompanied by changes in federal Medicaid law that would permit states to further reduce the number of persons they cover and the benefits they provide.

- Abolish the Community Health Centers Program, the Migrant Health Centers Program, and the Family Planning Program and replace them with a block grant funded at FY 1985 levels.

- Freeze funding for the MCH Block Grant at FY 1985 levels.

- Freeze childhood immunization funds at FY 1985 levels.

In addition to these proposals put forward by the administration, other approaches for reducing Medicaid expenditures are now under discussion in Congress. These include the following:

- Reimposing a financial "penalty" on federal Medicaid payments to state Medicaid programs in those states whose annual rates of Medicaid program growth exceed permissible limits established by law.
- Reducing the federal contribution to Medicaid programs for all states, regardless of their programs' rate of growth, by lowering the federal matching rates for state Medicaid expenditures.

All of the proposed Medicaid cuts would severely damage funding for maternal and child health services. Without question, however, the administration's proposal would cause the greatest harm. Freezing federal Medicaid payments and placing a federal growth cap on program funding levels would virtually destroy the program.

States have been able to draw down as many federal Medicaid dollars as needed to finance medically necessary health care for the poor since 1965. As previously noted, no state Medicaid program is currently large enough to meet the health care needs of all the poor and uninsured persons in the state; some programs are exceedingly small in relation to need. As the problem of uninsured Americans persists, and as the population grows older and their medical care needs grow more complex, state Medicaid programs face increasing pressure to grow in order to accommodate the needs of the poor.

In the face of this challenge, the proposed FY 1986 Medicaid funding cap would allow program growth of only 3 percent, less than half the medical care inflation rate, and essentially a cutback in funding levels. States would either have to make up these cuts out of their own budgets or cut their programs. And we know from previous year's experience with Medicaid reductions that they will do the latter.

From past experience, we also know that children will be the first to be harmed by a Medicaid cap. From 1974 to 1983, the

Medicaid recipient rate per 100 children living in poverty dropped from nearly 100 percent to 70 percent, as stagnant eligibility requirements and concomitant pressures to finance care for the elderly and institutionalized led states to reduce their efforts toward children. As the number of poor children climbed, their share of Medicaid payments decreased. Moreover, between 1981 and 1984, as states sought ways to reduce Medicaid expenditures in the face of reduced federal payments, nearly 30 states eliminated coverage for hundreds of thousands of children and pregnant women, and an equal number curtailed benefits. The administration's proposal threatens 10 million children now receiving benefits and millions more in need of benefits with a complete loss of health insurance. In 1981, Congress already rejected this proposal because of the harm it would cause.

The other budget reduction proposals focusing exclusively on Medicaid are also harmful to poor children. A resurrection of an undifferentiated federal Medicaid "penalty" like the one imposed between FY 1982 and FY 1984 would again cause major disruptions in Medicaid programs as states begin to scramble for ways to hold programs costs down. States could avoid imposition of the old penalty any way they chose, either by enacting progressive cost containment strategies or through wholesale cutbacks in eligibility and service levels. While in the past some chose the former approach, as previously noted, many chose the latter.

Similarly, an across-the-board reduction in federal matching payments would reduce the amount of federal Medicaid funds to states at a time when they are faced by large numbers of families and children without adequate health insurance.

The administration's proposals for Title V, the Community and Migrant Health Centers, and Family Planning Program set total funding for these programs at $550 million. This would actually reduce funding by 7 percent, if medical care inflation is taken into account.

The President's immunization funding proposals are particularly grave. Between 1983 and 1984, the inflation rate for diphtheria-pertussis-tetanus (DPT) vaccines alone was 99.5 percent. At this rate, the money that purchased vaccines for 911,000 children this year will vaccinate only 450,000 children next year. And the 911,000 children given immunizations this year represent less than half of the 2.5 million children immunized under the program in 1981.

Just as dangerous is the administration's inadequate $4 million request to hold a vaccine stockpile of DPT and polio vaccine. In 1983, after a series of vaccine shortage scares, Congress and the administration agreed that a six-month stockpile of polio and DPT vaccines should be built. The administration's $4 million request, however, is not enough to purchase even a one month supply of DPT vaccines alone.

HEALTH: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
MCH Block Grant	411.0	347.5	373.0	347.5	373.0	373.0	398.0	407.0	478.0	478.0
Community Health Centers	320.0	--[a]	280.0	--[a]	295.0	--[a]	337.0	--[a]	375.0	--[b]
Migrant Health Centers	43.0	--[a]	38.1	--[a]	38.1	--[a]	42.0	--[a]	44.3	--[b]
Family Planning	182.4	--[a]	124.0	--[a]	125.0	--[a]	140.0	--[a]	142.0	--[b]
Immunization	31.0	--[a]	28.3	28.9	39.3	41.9	41.9	46.0	54.0	54.0

	FY 1986 Current Policy	FY 1986 Proposed Level	Change Proposed in Level	Percent Change in Level
Medicaid	$24,742.5	$23,690.5	$-1,052.0	-4.3

[a] Proposed to repeal, include in block grant; funding would have been cut by 25 percent in FY 1982, increased by less than 1 percent in FY 1983, and remained level for 1984; the block grant proposed for FY 1985 would show a slight increase of 2.2 percent.

[b] Proposed to repeal and replace with a block grant at FY 1985 funding levels.

7. Income Support

There are over 35.3 million poor people in this country today; 13.3 million of whom are children. This is 900,000 more poor people than there were in 1982. One out of every five children in America is poor, and black children are almost three times as likely as white children to be poor. Over 55 percent of children living in female-headed families are poor. Fully three-fourths of the growth in the poverty population between 1979 and 1983 occurred among children and adults with dependent children in their households.

These facts pose difficult questions for our nation: first, how can it ensure basic income supports for poor children and families; and second, how best can it help them out of poverty, and toward self-sufficiency? As a first step toward finding the answers, however, we must dispel several widely held, persistent myths about federal income support programs for the poor.

Myth #1: A huge portion of the federal budget is spent on income support for poor families.

This is false. In fact, the largest federal cash assistance program for poor children -- the Aid to Families with Dependent Children (AFDC) program -- is funded at $8.4 billion, an amount equal to less than 1 percent of the total federal domestic budget.

Only 3.7 million families -- a fraction of all poor families -- are helped by the AFDC program. Over the past 10 years, as an additional 3.9 million children fell into poverty (a 41 percent increase), 800,000 fewer children (a 10 percent decline) received AFDC benefits in an average month.

Myth #2: Welfare recipients are able-bodied and lazy. They do not want to work.

False. Most AFDC recipients -- almost 66 percent -- are children. Almost half of these are under age eight. Approximately 91 percent of AFDC cases are single-parent families, and 55 percent have at least one preschool age child.

Among adult AFDC recipients who are able bodied, a majority are working or would work if they had child care and if a job were available. Approximately 45 percent of those families who received AFDC in 1980 also earned income during that year, averaging 32.1 weeks of work. According to one study, increases in earnings lead to almost 40 percent of the AFDC case closings. Drastic 1981 changes in AFDC treatment of earnings will skew these figures for later years, but they are nevertheless a testament to recipients' drive to work.

All able-bodied adult AFDC recipients are required to register for employment services and to accept any bona fide offer of employment, unless they meet narrow exemptions; if, for example, they are providing full-time care for a child under six or are incapacitated. The Massachusetts and Utah voluntary work and training programs, which have enriched training and support services, demonstrate that AFDC recipients do want to work and will volunteer to participate when opportunities are provided.

Myth #3: Families who receive AFDC enjoy a high standard of living.

False. On the contrary, in most states AFDC payments are intolerably low and fail to provide sufficient funds to meet basic human needs. The maximum AFDC benefit for a family of three in January 1985 was less than 75 percent of the poverty level in all but four states. Even the combined value of food stamps and AFDC was still less than the federal poverty level in every state except Alaska. Imagine caring for two children on $5.49 a day in Texas, or $3.16 a day in Mississippi. In September 1984, the national average monthly payment per recipient was $111.68, or only $3.67 per day. Even by their own criteria, as opposed to federal criteria, 30 states pay less in assistance than is needed to meet a minimum standard of living in that state. Because benefits have not had to keep pace with inflation, families receiving them have lost about one-third of their purchasing power since 1970.

Myth #4: Once on welfare, always on welfare.

False. Very few children grow up on welfare. Each year, about one-third of all AFDC families leave the program and are replaced by other families. AFDC helps many families who have suffered a sudden setback such as a death, family problem, or job loss, and eventually are able to support themselves again. Some go on and off the program within months. Although one out of every four American children receives AFDC at some point in their childhood, only 4 percent of all families receive as much as half of their income from AFDC during the period in which they raise children. Many of these "long-term" families contain a disabled parent or consist of a single foster child with special needs.

A national study found that a family's temporary need for AFDC assistance is of short duration: half stayed in the program for less than two years. In Maryland, 48 percent of recipients have been on the rolls for two years or less. In Ohio, 29.7 percent of the families have been receiving assistance for one year or less. In Minnesota, the average stay on AFDC is only five months.

How are poor children and families faring today? The lingering impact of the recession and across-the-board federal cuts have made their situation even more difficult.

Current Programs Fail to Reach Many Vulnerable Families

Although AFDC is the largest needs-based cash assistance program, assisting 10.8 million individuals, it fails to reach millions who need it. The almost 7 million children receiving AFDC represent only 53 percent of the nation's poor children. This federal assistance is limited primarily to single-parent families in which one parent is absent from the home due to death, divorce, or desertion.

Many desperately poor families are ineligible for income support because they do not meet AFDC eligibility criteria. For example, federal law requires coverage of two-parent families only where one parent is incapacitated. Although states may choose to cover two-parent families where the principal earner is unemployed, only half the states have done so. In other states, unless the earner meets the very restrictive requirements for Social Security disability, unemployment insurance, or worker's compensation, there is little if any assistance available for unemployed, intact families. This is a significant limitation. In March 1984, when economic "recovery" was in full swing, there were still almost four million children in two-parent families which had no employed parent.

Moreover, even in states that allow assistance to two-parent families, many needy families do not qualify because of the program's complex and confusing technical requirements. In Maryland, for example, although approximately 45 percent of the families in poverty were two-parent families, persons in two-parent families made up only 4.1 percent of the state's AFDC rolls in FY 1984. The requirement that recipients have a history of earning income makes it especially difficult for young, two-parent families to qualify. They may have been in school or training programs but may lack work experience.

AFDC program cuts have decreased the categories of eligible persons since 1981. For example, women who are pregnant for the first time are generally ineligible for assistance until their sixth month of pregnancy, and 23 states do not even provide assistance at that point. Thus, pregnant women in those states, and women in their first five months of pregnancy in other states, are generally left without any cash assistance to buy adequate food, shelter, and medical necessities not available under Medicaid.

Secondary school students over age 17 -- or, at state option, over age 18 -- are also ineligible for AFDC. While a handful of state general assistance programs provide some cash assistance until age 21 for students, many older children who are denied this income support are forced to drop out of school to earn what they can to care for themselves.

The access of other groups of poor children to federal income supports has also been limited: those with a stepparent in the home, those who with a minor parent are living with a grandparent, and those who are living with other minor siblings who have non-AFDC income.

Another potential source of support for poor children who live with one parent -- child support -- helps less than it should. According to 1981 Census data, only 59 percent of the over eight million eligible women were awarded child support, and fully 25 percent of those who were, received no payments. Those who did, received an average of only $1,120 annually or half the amount due.

State Eligibility Hurdles Deny Aid to Needy Families

Children and parents who are among the groups covered by federal law face yet another hurdle. Each state sets its own income levels for both AFDC eligibility and benefits. These levels are frequently so low that desperately poor families still cannot qualify for benefits. As the basis for its eligibility and benefit calculations, each state establishes a "standard of need" which, theoretically represents the amount of money a poor family needs to survive.

To qualify for AFDC, a family's gross income must be less than 185 percent of the state's standard of need for a family of the same size. In addition, the family's gross income, minus work-related and child care expenses, must be less than 100 percent of the standard of need. Crossing the threshold of AFDC eligibility is of great importance to poor families, regardless of the size of the cash benefits they receive, because it entitles them to federal Medicaid health insurance coverage as well. In over half the states, receiving cash assistance is the only way a family can qualify for Medicaid, a crucial benefit because family medical insurance is seldom provided at low-paying jobs or is available at only prohibitive cost.

The majority of states have raised their standards of need over the past several years. But in 24 states, as of January 1985, 185 percent of the standard of need was still less than federal poverty guidelines. Recipients in many states could earn very little income if they wished to stay in the program. For example, a mother with two children in Kentucky is disqualified if she works more than 25 hours a week at a minimum wage job.

Benefit Levels Do Not Meet Basic Needs

Even among those poor families who make it past these hurdles, most continue to live in poverty. For instance, Ellen Smith typifies the plight of many struggling AFDC recipients. She lives with a relative in a cinderblock house set on the side of a hill in Red Bank, Tennessee. She is divorced and has a five-year-old daughter. Ms. Smith's only source of income for the past year has been the $101 a month she receives from AFDC. "You can't live alone when you get AFDC," says Ms. Smith, who is grateful for her aunt's willingness to share her home.

Even without the expense of rent, and with the help of Medicaid and $139 worth of food stamps each month, Ms. Smith is having difficulty making ends meet. Her food stamps help to feed herself and her daughter, but she estimates that she spends about $20 of her $101 AFDC grant on basic grocery items not covered by food stamps, like shampoo, dishwashing liquid, soap, and other necessary items.

The remaining $81 per month must cover all other expenses, including over-the-counter medicine like cough syrup, shoes and clothing for herself and her daughter, transportation expenses, school supplies, and other miscellaneous expenses. If Ellen Smith had to pay rent as well, she and her child would not be able to survive. The inability of welfare families to pay rent in New York City is pushing thousands into temporary shelters, according to a recent study of the homeless by the Citizens Committee for Children of New York.

States set their own AFDC benefit levels, few of which meet a minimal standard of living. Ten states provide less than $210 a month for a mother and two children. Only 11 states pay more than $400 a month for the same size family. (See AFDC table in Appendix.)

A recent study by the Maryland Department of Human Resources graphically illustrates the gap between what a poor family realistically needs to survive and the support it receives under AFDC.

Maryland Estimate of Need for an AFDC Family of Four

ITEM	Unofficial Estimate of Real Expenses in FY 86		Dollars Actually Available from AFDC	
Food	$277		$128	
Shelter	301		123	
[Rent		227		91]
[Utilities		74		32]
Household Furnishing and Operation	69		32	
Clothing	78		36	
Personal Care	32		14	
Transportation	24		9	
Other Family Consumption	18		6	
Medical Care	18		7	
Total	$817		$355	
Food Stamps	32		195	
TOTAL	$849		$550	

Moreover, AFDC grants have failed to keep up with inflation. From 1970 to 1984, benefit levels in all but two states lost ground against inflation. In 36 states, the drop-off in the benefits' real value exceeded 25 percent.

Lack of Adequate Training Services and Work Incentives Perpetuates Poverty

Most AFDC households are headed by single women, 60 percent of whom are high school dropouts, and many of whom have little or no work experience. More than half of these families have special day care needs because they have preschool aged children.

To date, few effective education and training resources have been provided to these families. Many parents need basic education and skills training before they can find reliable employment that would eventually enable them to live independently of AFDC. Even though AFDC recipients are theoretically entitled to priority job training and placement under the Job Training Partnership Act (JTPA), advocates in some jurisdictions reported that many were turned away from these programs, because they lacked the basic skills to participate. Similarly, AFDC mothers with young children have had a hard time participating in other education and training programs, because substantial cuts in Title XX funding for day care have reduced the number of child care places available for their children.

Job training and employment programs such as JTPA, the Work Incentive Program (WIN), and others developed under the AFDC program have also had a limited scope. For example, JTPA only serves an estimated 4 percent of the eligible population. The Community Work Experience Program (CWEP), which enables AFDC recipients to work off their AFDC benefits, is a seriously flawed program. It not only mandates participation, but also often fails to provide necessary training and supportive services. Most CWEP programs have failed to meet the special needs of mothers with young children. Although some WIN demonstration programs are trying to address these needs more effectively, they are still generally inadequate.

Those AFDC recipients who are determined and skilled enough to work find little reward for doing so, because even a small annual income may prevent them from receiving any AFDC assistance. The federal government in 1981 cut back on provisions that enabled parents with earnings to retain partial AFDC assistance. Under the previous law, the worker's meager earnings were not counted dollar-for-dollar in determining their AFDC eligibility and grant levels. Workers were able to subtract certain "work disregards" from their earnings. AFDC served as an income supplement for needy families whose members were working part-time or at very low wage jobs and made them eligible for medical health insurance coverage, as well. The new law has been an economic disaster for poor working families:

- The General Accounting Office (GAO) has found that 39 to 60 percent of working families who had been receiving partial AFDC grants lost assistance completely in the sites studied.
- Hundreds of thousands of other families suffered reductions in their AFDC grants. For example, 48 percent of wage-earning AFDC cases in Milwaukee, Wisconsin, had their grants cut. In Syracuse, New York, 35 percent of these cases suffered reductions, with average losses ranging from $46 to $137 a month, according to the GAO.

Poor working families receiving AFDC supplements had been struggling to make ends meet even with partial cash assistance. Reduction or elimination of the AFDC supplement created new hardships for these families, including loss of health coverage and disruption of child care:

- The General Accounting Office found that 50 to 60 percent of the families in Dallas and Memphis that lost AFDC because of the 1981 changes were left without health insurance. Comparable percentages in Boston, Milwaukee, and Syracuse ranged from 16 to 33 percent.
- A study of Minnesota working families who lost AFDC due to the 1981 changes found that one year later, 28 percent of the children and 18 percent of their parents had no health insurance. One-third of the children of those who lost AFDC and continued to work were uninsured.
- A number of studies showed that children were shifted from more expensive child care arrangements, such as center-based care, to less costly ones. Studies in California and Massachusetts revealed serious concern among parents and community agencies about the adequacy of these arrangements and reported increasing numbers of children apparently being left alone.

While changes by Congress in 1984 partially restored some of these AFDC work disregards, they have not been returned to their pre-1981 level and remain inadequate. Many families end up no better off than if the parent was not working.

Family Stability and Integrity Are Being Threatened By Various AFDC "Deeming" Provisions

With grant levels so low, many families can survive only if they share their household with other relatives or welfare recipients. For young parents, especially, sharing a household has advantages beyond merely saving money: given their own youth and inexperience, teenage mothers often need the support and guidance of their own mothers and siblings as they take on the difficult task of being a parent. This built-in support and child care can also enable these young mothers to complete high school or necessary training to obtain a job and become self-sufficient.

But several new provisions sponsored by the Reagan administration threaten family unity by penalizing extended families for living together. These counter-productive changes include: deeming of stepparent income, that is deeming or considering the income of a stepparent to be available for use by the AFDC recipient whether or not the income is in fact available; deeming of a grandparent's income to a grandchild when the child and minor mother live in the same home as the grandparent; and deeming of income from a minor sibling living in the home to siblings in the AFDC unit. Under these "deeming" provisions, at least part of the income of the various relatives is counted in determining eligibility and grant levels regardless of whether they are in fact contributing to their care. This causes much hardship for those families whose relatives are too poor to support the extended family on their own.

The 1981 stepparent deeming provision hurt many families. When stepparent deeming was first implemented in Ohio, almost 38,000 families had their benefits reduced or cut off altogether. In Oklahoma, 1,814 families lost benefits, and in South Carolina, 1,201 families did.

Approximately 33 states had implemented the new provisions affecting minor parents as of December 1984, and 15 more are expected to by March 1985. These provisions have had a devastating effect on young parents and families struggling to stay together:

> One teenage mother, about 16 years old, was able to live at home with her parent if she contributed $50 a week toward expenses. With this relatively inexpensive arrangement, and with the support of AFDC for her daughter, she was able to enroll in a vocational school for training as a baker. But because of grandparent deeming, she lost AFDC and, as a result, her chance to have subsidized child care. She had to leave school and, lying about her age, took a night shift job in a factory to support her baby.

Other minor parents have lost more than their AFDC grants. Workers reported that some had either left home in order to retain AFDC eligibility or been thrown out of their homes when they lost benefits. Counselors for unwed pregnant mothers reported extreme concern about whether their clients would be able to retain Medicaid benefits necessary to ensure health care for themselves and their infants:

> When a New Jersey day care administrator arrived to open the center at 5:45 a.m., he found a fifteen-year-old mother and her eight-month-old baby waiting on the steps. She had just been told to leave home after she lost her AFDC grant due to grandparent deeming. The day care operator reported that the teenager and her child were staying in a church until emergency housing could be located for them.

Families have been equally hard hit by sibling deeming. In the past, brothers or sisters with outside income -- frequently, Social Security survivor's benefits or child support income -- could be excluded from the AFDC grant. Now, however, unless the siblings are Supplemental Security Income (SSI) recipients or stepsiblings, they must be included, with devastating effects for the family:

- In Minnesota, approximately 1,200 families were threatened with loss of income due to sibling deeming. The state sees sibling deeming as being so devastating that it has joined in a suit against the federal government seeking to halt implementation of the provision for siblings receiving child support.
- An Arkansas mother was receiving AFDC for herself and one child. Her other child received Social Security Survivor's benefits from a deceased parent. The mother was in a training program so she could find a job and get off AFDC. As a result of the recent federal change, her child's Social Security was included in the eligibility determination and her grant was reduced. She could no longer afford to pay for tuition and for the child care she needed to attend training. She was going to be forced to drop out of the training program only three months away from its completion.

Federal Funding Shifts Over the Past Four Years

The Reagan administration has made deep cuts in the Aid to Families with Dependent Children program over the last four years, that have knocked hundreds of thousands of children and families from AFDC, reduced benefits for others, and made fundamental changes in the underlying program designed to provide support to poor children and their families.

In 1981, legislative changes pushed 493,000 families off the program. The $1 billion reduction in funding for FY 1982 cut off 39 to 60 percent of working families and 12 percent of non-working recipients in selected sites studied by the GAO. Students, pregnant women, and children living with stepparents were also singled out for reduced support.

The roughly $85 milllion in additional cuts in FY 1983 further restricted benefits to families. Among other provisions, they gave states the option of reducing AFDC benefits for families that share housing and of requiring AFDC applicants and recipients to participate in job search programs. Congress rejected the administration's proposed changes in the program in FY 1984 and made no further cuts in AFDC.

FY 1985 brought some hope of improved income supports for poor families when Congress reversed some of the harmful cuts and program changes made during the previous four years. As part of the Deficit Reduction Act of 1984, Congress approved provisions that would boost the AFDC eligibility chances of parents who are employed part-time and at very low paying jobs. The provisions also help to ensure that some working families who have lost or may lose AFDC remain eligible for continued Medicaid for at least nine months.

The Deficit Reduction Act also made several improvements in the area of benefit amounts and eligibility for AFDC families, including raising the gross income eligibility test from 150 to 185 percent of the state standard of need. One major improvement is a new $50 disregard of child support payments, which should give many AFDC families a desperately needed actual increase in income. By allowing AFDC families to benefit directly from state child support efforts, it will also encourage their cooperation with child support enforcement.

While most of the 1984 changes were improvements, several are proving detrimental to families. One such change is the requirement that affects minor siblings who receive special payments such as Social Security survivor's benefits or child support. Although this income is solely for their own use and not available to support the family, all of it must now be counted in determining the family's AFDC eligibility and benefit level. A related change requires counting some of a grandparent's income available to the minor child and grandchild, even if it is not actually being used for the child's support.

In the area of child support, Congress provided further assistance to many poor families by approving the Child Support Enforcement Amendments of 1984. When implemented in October 1985, they should provide states with new means for child support enforcement and offer new help to AFDC families who need this support to get off the AFDC rolls.

CDF Recommendations

Our nation must establish a basic income support and jobs program to guarantee subsistence and to protect the young and vulnerable. In developing this broad, long-term policy, we need to take several urgent interim steps.

The Children's Survival Bill recognizes that at least for the short-run -- over the next five years -- millions of poor American children will depend on existing public assistance programs to meet their basic survival needs. The Bill therefore proposes a five-year plan that will increase the support available to families under the Aid to Families with Dependent Children program. It provides incentives to states to bolster the purchasing power of AFDC benefits by increasing them to reflect cost-of-living adjustments. It also requires states to raise their standards of need to reflect the real cost of living. The Bill ensures that, beginning in FY 1990, all eligible families will receive combined AFDC and food stamp benefits at a level at least equal to 75 percent of the federal poverty level; a basic first step toward meeting their needs.

The Children's Survival Bill would also help to ensure that AFDC will be available to poor children who are completing secondary or vocational schooling. The Bill would extend coverage to children in poor two-parent unemployed families and would lessen the negative impact of current AFDC policies on family stability. The Bill also encourages the birth of healthy infants by providing AFDC to women as soon as they are pregnant.

The Children's Survival Bill recognizes that providing poor families with adequate income support through AFDC is not enough. Education and training programs to help parents move toward self-sufficiency are essential. The Bill outlines a state grant program under which funds would be available to develop comprehensive voluntary education and training programs. Such programs must be designed to meet the needs of individual participants like child care. Because these programs will prove to be cost effective, it is hoped that they will eventually be expanded to reach all who need them.

To offer further work incentives, The Children's Survival Bill makes changes in the AFDC program that will encourage adolescents in AFDC families to complete high school or equivalent training programs, and to gain work experience. It also maximizes work incentives by restoring earnings "disregards", adding a "disregard," of the Earned Income Tax Credit, and increasing funds available for child care. Finally, the Bill proposes to remove current AFDC program requirements that penalize young mothers living with extended families as they struggle to achieve self-sufficiency and support their children.

In addition to the assistance provided by AFDC, poor families need vigorous enforcement of the Child Support Enforcement Amendments of 1984. An increase in regular child support payments will help these families meet some of their basis subsistence needs. However, at the state level, advocacy is necessary both for better enforcement efforts and to address the appropriateness and adequacy of current child support levels. The Child Support Commissions in the states should examine the extent to which improvements in child support can ameliorate the lives of poor children.

President Reagan's Proposals for FY 1986

The administration's FY 1986 budget proposals for the Aid to Families with Dependent Children Program (AFDC) will hurt the 3.7 million families served by the program. Proposals call for $271 million in direct benefit reductions and an additional $54 million in "savings." The latter are to come from a cap on state and local administrative costs at their FY 1985 level, which, when implemented, will likely end up in the form of further benefit reductions.

The administration's proposed elimination for the fifth year in a row of the Work Incentive Program (WIN), currently funded at $267 million, also represents a substantial reduction in resources for training and employment opportunities for AFDC recipients. Since

1967, WIN has provided job counseling, training, job placement and support services for AFDC recipients who are struggling to find permanent jobs.

This year's budget request contains a built-in contradiction: while it requires all adult employable AFDC applicants and recipients to seek work, it neglects to assist states in developing adequate training and employment programs to facilitate this. Although this year's proposals offer states somewhat more flexibility to develop a range of work activities under the mandatory program than in previous years, any approach that persists in mandating participation in less than adequate programs is inherently flawed. Every year since 1981, the administration has proposed making state workfare programs mandatory. Every year Congress has rejected that approach. The National Governors Association and the American Public Welfare Association have also repeatedly gone on record against requirements that would force all states to adopt workfare programs. The administration is proposing for the fifth year in a row to eliminate the Work Incentive (WIN) program.

For the third year in a row, the administration has proposed that in calculating a family's AFDC eligibility and benefits, the needs of an employable parent or other caretaker relative will be excluded once the youngest child reaches age 16. This recommendation is premised on the assumption that these adults will be able to find work at that point -- an assumption which ignores complicating factors such as high unemployment and lack of education or work experience. For no clear reason, the administration projects a savings of $54 million from this proposal, three times as much as when the proposal was made last year.

Another administration proposal, rejected by Congress last year, would deny AFDC to a never-married, minor parent, with few exceptions, unless the minor parent were living with his or her own parents. The administration hopes to save $19 million in FY 1986, by cutting some 11,000 of these minor mothers and their children off AFDC. This figure includes not only minor mothers living independently (of which there are approximately 2,000) but also minor mothers living with other extended family members or in various foster homes and congregate care settings. Further, the combined effect of this proposal with last year's "grandparent deeming" requirement means that many minor parents forced to live at home would receive reduced grants or be denied assistance altogether.

AFDC: FUNDING AND BUDGET REQUEST, FY 1986

	FY 1986 Current Policy (millions)	FY 1986 Proposed Level (millions)	Change Proposed in Level (millions)	Percent Change in Level
AFDC & Child Support	$8,916.2	$8,806.1	$ -120.1	- 1.3

8. Food Assistance

After a decade of progress in reducing hunger and malnutrition in America, these problems have reemerged in the 1980s. Documented by an increasing number of studies, this fact is now beyond dispute.

A Center on Budget and Policy Priorities 1983 survey found that in over half of 181 randomly selected emergency food agencies, the number of persons seeking emergency food had risen by more than 50 percent from February 1982 to February 1983; and that in a third of the programs surveyed, the number of persons seeking aid had doubled. Most of these agencies either had to turn people away or restrict the number of times they could be served, according to the survey.

Similarly, a General Accounting Office (GAO) report in 1983 documented significant increases in the number of people seeking food aid, reporting that "an unmet need remains." A study commissioned by the U.S. Department of Agriculture (USDA) found that "the number of recipients [at emergency food agencies] is increasing at a frenetic pace and the emergency food available for distribution is quickly depleted."

All of these studies also found that a significant number of those in need were families on food stamps whose food resources were running out before the end of each month. This finding was subsequently explored in more detail in a November 1983 study issued by the Food Research and Action Center (FRAC). Of over 1,000 persons at emergency food pantries who were surveyed by FRAC, 62 percent received food stamps, but 96 percent of the recipients reported that their stamps failed to last through the month.

Throughout 1984, the evidence of increased hunger and need for food assistance continued to mount.

- In February, the Citizen's Commission on Hunger in New England (a private commission of university researchers, physicians, and religious leaders) conducted extensive field research in New England and issued a report that showed major increases in hunger in that region.
- Later that year, a newly formed group of doctors and medical professionals, the Physicians' Task Force on Hunger in America, investigated hunger in eight states in the South, Southwest, and Midwest. The Task Force, coordinated by researchers at the Harvard School of Public Health and including members of the medical profession from across the country, found widespread hunger in all areas it studied, especially in Mississippi and the deep South.
- In September, a U.S. Conference of Mayors report found that requests for emergency food aid had risen in 60 of the 83 cities surveyed over the past year.
- In October, FRAC found that emergency food aid increased 20 percent in a new survey of 300 emergency food providers across the country.

In view of this documentation, the question of whether hunger exists in America is no longer debatable. Even President Reagan's own cautious and highly conservative Task Force on Food Assistance declared last year that hunger is now "a significant problem throughout our nation."

Inadequate Nutrition Is a Significant Child Health Problem

The single most disturbing aspect of increased hunger is the evidence of nutrition related health problems among poor children.

The Massachusetts Department of Public Health issued a major study in late 1983 which found that 10,000 to 17,500 poor children in Massachusetts suffered stunted growth, largely due to chronic malnutrition. Nearly one in five low-income children studied in the Massachusetts survey was either stunted, anemic, or abnormally underweight.

Cook County Hospital in Chicago, between summer 1981 and summer 1983, experienced a 24 percent increase in the number of children admitted for failure to thrive, diarrhea, or dehydration: conditions often linked to inadequate nutrition. Follow-up studies found that 30 percent of all children coming to the hospital's emergency room had abnormally low rates of growth, and that half of these "low-growth" children suffered from inadequate diets.

These data indicate that poor children are particularly vulnerable to the effects of inadequate nutrition, which appears to be growing. This is an especially alarming development because the federal food aid programs designed to alleviate these problems are now threatened. Programs to help poor families and children obtain adequate diets have been cut back at the time when they are needed most. The result is that millions of the poor remain outside these programs, while millions of others who are enrolled in these programs receive benefits too low to provide adequate food and nutrition.

Food Stamps Do Not Reach Many Poor Families

The Congressional Budget Office (CBO) reports that the Food Stamp Program has been cut $6.8 billion from FY 1982 through FY 1985, and $1.9 billion in FY 1985 alone. Despite the Reagan administration's claims that it has protected the truly needy, approximately two-thirds of its cutbacks were achieved by reducing benefits for households in poverty. Many of the remaining savings came not from eliminating fraud and error, but from reducing or terminating benefits for families whose gross incomes were above the poverty line but whose disposable incomes (after taxes, work expenses, and high rent) fell to below poverty levels.

The Reagan budget cuts since 1980 pushed one million recipients off of this program, while another 20 million saw their benefits reduced.

Independent of these cuts, food stamps are not reaching millions who are eligible for the program. Roughly one-third of those who are eligible do not receive aid. In addition to the 20 million people the program serves, the President's Task Force on Food Assistance has estimated that 11 million to 13 million more are eligible and fit the administration's definition of truly needy. U.S. Department of Agriculture studies corroborate this finding.

The gap between the program and the need has widened considerably in recent years. From 1980 to 1984, the number of persons below the poverty line has grown from 29.3 million to approximately 34 million according to projections by Dr. Peter Gottschalk of Bowdoin College. Yet despite the addition of nearly 5 million persons to the ranks of the poor, food stamp participation fell during this period.

Food stamp participation fell to 19.8 million in September 1984, its lowest level since the spring of 1980. There were 58 persons receiving food stamps for every 100 persons in poverty, in September 1984, where the ratio had been 68 for every 100 four years before.

A variety of factors may help to account for this decline in coverage. Some households were terminated or made ineligible for the program by eligibility restrictions enacted in 1981 and 1982. Other needy Americans with incomes below the poverty line, especially the newly unemployed, may be ineligible due to restrictions on their assets. These restrictions are far more severe today than in the 1970s because they have not been adjusted for inflation.

The Nixon administration, in 1971, set a limit of $1,500 on the value of assets that could be held by a person wanting to receive food stamps. This original limit remains in effect today despite an inflation rate of 160 percent over the past 14 years. Similarly, the $4,500 limit on the market value of a car allowed to a food stamp recipient has not been adjusted since it was set in 1977, although used car prices have risen 100 percent in the interim. The President's Task Force recommended raising the food stamp assets limits. Although the House of Representatives voted to do so, the legislation was opposed by the Reagan administration and stalled in the Senate.

Another reason food stamps are not reaching all who need them appears to be that many eligible Americans do not participate.

Extensive research, based on the well-known University of Michigan panel survey of low-income families, has found that over half of those who are eligible but do not participate either mistakenly think they are ineligible or do not know that they are eligible. The research suggests that lack of information about eligibility may be the single most important reason that needy Americans do not participate. Congress exacerbated this situation when it adopted Senator Jesse Helm's (R.-N.C.) proposal that terminated all federal funding for "outreach" efforts to help eligible poor people learn about the food stamp eligibility requirements and abolished the requirement that states conduct outreach programs.

The lack of efforts to inform the poor about food stamp eligibility is particularly serious given the current evidence of hunger in America. For example, the same Massachusetts health department study that found almost 17,500 stunted children in Massachusetts also found that 32 percent of the low-income children surveyed who were eligible for food stamps were not receiving them.

Those who do receive food stamp benefits are still unable to meet their needs. These households, with average gross incomes of less than $4,300 a year and average cash assets of $58, have had less to spend on food and other essentials in recent years. USDA data show a steady decline in the incomes of food stamp households when adjusted for inflation since at least 1975. Congressional Research Service data show that from 1970 to 1984, Aid to Families with Dependent Children (AFDC) benefits, which many food stamp families depend on, plummeted 33 percent after adjustment for inflation.

In addition, many food stamp recipients are outside the work force and are not helped by improvements in the economy. Nearly three of every four food stamp recipients are a low-income child, a female head of household with children, an elderly person, or a disabled person. Poor children alone constitute nearly half of all the recipients.

Reagan administration cutbacks in basic support programs for low-income families since 1980 have further reduced the amount of money these families have available for food. Only about 30 percent of all jobless workers now receive unemployment insurance compared to over half in the latter part of the 1970s. Housing program cuts mean that four million low-income families living in public and subsidized housing must now pay a larger share of their income for rent. Because federal funding for low-income energy assistance has failed to keep pace with rising natural gas prices, low-income families must now spend a larger share of their small incomes to heat their homes. Medical care is costing them more, due to cutbacks in Medicaid funding, and taxes are taking a larger proportion, leaving less money to feed a family.

Fewer Children Are Being Served by Federal Meals Programs

Despite impressive evidence of the substantial contributions that child nutrition programs make to improve nutritional status, these programs have been cut heavily. The four basic child nutrition programs -- the School Lunch, School Breakfast, Child Care Food, and Summer Food programs -- were reduced 29 percent from FY 1982 through FY 1985. Funding for these programs has been cut by over $5 billion during this four-year period.

As a result of the deep child nutrition reductions enacted in 1981, the number of children receiving school lunches each day fell by about 2.5 million. The number of low-income children receiving free or reduced price school lunches dropped by close to 700,000. Twenty-seven hundred schools have dropped out of the program, and free lunches are no longer available to students who need them.

The school lunch cuts were made largely by reducing the income limits for free and reduced price lunches and by cutting back on federal contributions to support the lunch program. The steepest cuts were made in federal support for reduced price lunches served to near poor children, which led to a substantial drop in the number of children receiving these lunches.

Cuts in the School Breakfast Program, which is only 15 percent the size of the School Lunch Program, had comparable adverse effects. It suffered a decline of half a million children; two-thirds of these were low-income children who no longer receive the breakfasts.

Federal funding cuts also hurt the Child Care Food Program, which helps defray the cost of meals provided to children who are in day care. Nearly $130 million a year were cut from federal support for meals served to children in day care centers and homes. These children are now limited to two meals and one snack each day, regardless of the time spent in day care, which can exceed eight hours. The combined effects of these and other cuts in federal support programs for low-income day care facilities, including the Social Services Block Grant and the Comprehensive Employment and Training Act, have forced some day care facilities to close and some to raise fees charged to low-income parents. Others have reduced the number of children in care or lowered the quality of care provided.

Cuts severely hurt the Summer Food Program, which continues the School Lunch Program in some low-income areas when school is out. All summer food programs previously operated by churches and religious organizations, YMCAs and YWCAs, boys' and girls' clubs, settlement houses, and similar nonprofit organizations were terminated. Only programs operated by school systems or local governments were allowed to remain in operation. The result was the termination of summer lunches for 400,000 low-income children.

Federal Nutrition Program Meets One-Third of Need

Pregnant and nursing women, infants, and young children who are low income and at nutritional risk are eligible to receive prescription food supplements and nutrition counseling through the Special Supplemental Food Program for Women, Infants, and Children (WIC). Although the Reagan administration's repeated efforts to cut this program have failed until now, the program is still under-funded and reaches only 3.1 million people, or about one-third of those who are eligible. Over 200 U.S. counties have no WIC program at all; many other counties maintain waiting lists and have had to turn away eligible mothers and children.

Federal Funding Shifts Over the Past Four Years

Food Stamps. President Reagan has proposed major reductions in the Food Stamp Program over the past four years. Many especially harsh proposals were rejected by Congress. The reductions that have been enacted include:

- Across-the-board reductions in benefit levels from FY 1982 through FY 1984, achieved by setting the benefit levels below the cost of the Agriculture Department's least expensive, "bare-bones" food plan; a step never taken before in the program's history. (The food plan in question, the "thrifty food plan," is itself inadequate. USDA's own studies show that five of every six families whose food expenditure equals the cost of the thrifty plan fail to obtain the Recommended Daily Allowances for the basic nutrients.)

- Reductions in benefits for all working families, achieved by reducing the proportion of earnings deducted for taxes and work expenses. This action was taken despite the fact that IRS data show families at the poverty line are now required to pay much larger shares of their incomes in federal taxes than in the past.

- Major reductions in benefits for those low-income families whose heating costs are reflected in their rents, rather than billed separately.

- Termination of benefits for 875,000 persons whose gross incomes generally fell in the 130 to 150 percent of poverty range, but whose disposable incomes were below the poverty line.

As evidence of hunger in America mounted, Congress began in 1984 to rethink some of these measures. Members of the House of Representatives put together a bipartisan bill to make modest restorations in food stamp benefits. The bill, which would have restored about 15 percent of the amount cut out of food stamps in 1981 and 1982, passed the House floor by a ten to one margin last summer, but died in the face of strong opposition from the White House and Senate Agriculture Committee Chairman Jesse Helms.

Child Nutrition. The President proposed, and Congress accepted, deep cuts in every child nutrition program in 1981. The School Lunch Program was cut by 30 percent, $1 billion a year. The School Breakfast and Summer Food Service Programs were cut by about 20 percent. The Child Care Food Program was cut by 30 percent, nearly $130 million a year.

The following year the administration proposed eliminating the Summer Food Program and that part of the Child Care Food Program that applied to day care centers. It also proposed that the School Breakfast Program be combined into a block grant with a 20 percent cut in funding in addition to the funding cuts enacted in 1981. Congress rejected these proposals, and also rebuffed the Reagan administration's discussion of a "New Federalism" initiative that would have ended the federal role in all child nutrition programs and turned them over to the states.

The administration proposed another block grant in 1983 that would have consolidated the School Breakfast, Child Care Food (except for the Head Start component), and Summer Food Service programs and cut their funds by $217 million, or 29 percent. The new block grant represented a major reduction in services. It would not have made allowances for future food price increases and would only have served a finite number of children instead of all those meeting certain eligibility criteria. The administration proposed a modified version of this block grant the following year, combining the Summer Food and Child Care Food programs. Congress rejected both proposals.

The administration also proposed a six-month delay in the cost-of-living adjustments in school lunch reimbursements in 1983 and an increase in the cost of reduced price lunches and breakfasts for nearly poor children in both 1983 and 1984. Although Congress rejected these proposals, legislative efforts to restore about one-tenth of the administration's child nutrition cuts -- which were successful in the House -- died when the legislation was kept off the Senate floor.

WIC. WIC is one of the few social programs that has not been cut during the Reagan years, although the administration has repeatedly tried. The administration proposed a 35 percent cut in 1981 and the removal of 700,000 low-income women, infants, and children from the program, despite the fact that medical professionals had found them to be at nutritional risk. Congress rejected this proposal.

The administration again tried in 1982 to cut funding for WIC by over 30 percent, repeal it as a separate program and merge it with the Maternal and Child Health Block Grant. Congress rejected this as well.

The administration stopped promoting the block grant concept in 1983-84, but continued to try to reduce WIC funding and to cut its caseload by several hundred thousand persons. Again, these efforts failed.

Instead, Congress has provided sufficient funding in recent years to allow for some modest growth in WIC. Because it is not an entitlement program, however, WIC can only reach the limited number of women, infants, and children that its appropriation permits. Despite the additional funding, the program reaches only about one-third of the mothers and children who need it.

CDF Recommendations

As an immediate step to deal with hunger in our nation, the cuts in food aid programs that have caused the most severe problems for low-income families should be revised. In addition, steps should be taken to assure that poor families have a better chance of making it through the month without running out of food, that school breakfasts provide more adequate nutrition for the poor children who depend on them, and that WIC reaches more of those low-income women and children who need the program's benefits.

To accomplish these goals, the Children's Survival Bill would do the following:

- Base food stamp benefit levels on the current cost of the Agriculture Department's "thrifty food plan" rather than on the cost of the thrifty plan for a period in the past. Presently, food stamp benefits for any given fiscal year are based on the cost of the thrifty plan for June of the previous fiscal year. As a result, the benefit levels are outdated as soon as they take effect -- and become further outdated with every passing month. Basing benefit levels for a given fiscal year on the best available projections of food costs for that same fiscal year would at least ensure that benefits equalled the current cost of the thrifty plan.

- Remove barriers now preventing needy families from qualifying for food stamps by raising the food stamps asset limits and by enabling destitute persons who are homeless to qualify for the program. The assets limits were set in the 1970s -- and have not been adjusted since. In the interim, they have been severely eroded by inflation, and many unemployed families who need food assistance are now unable to obtain food stamps as a result. The President's Task Force on Food Assistance recommended last year that the assets limits be raised. The Task Force also recommended that there be an immediate halt to procedural barriers used by some states that effectively bar the homeless from the program. Food stamp legislation accomplishing both of these goals was passed by the House last year.

- Repeal unwise food stamp cuts enacted in 1981. This can be accomplished by restoring the earned income deduction to its prior level (20 percent of gross earnings), raising the maximum deduction for families with high shelter costs, providing a separate child care deduction for poor families that must incur child care expenses in order to work, restoring the food stamp outreach program to inform eligible low-income persons about the program's eligibility standards, and repealing the requirement that all states must implement costly and ineffective monthly reporting systems. A number of these provisions, as well, passed the House last year.

- Extend to the food stamp program the provision used in the AFDC program to disregard the first $50 of monthly income that comes from child support. This should encourage more effective child support enforcement while also facilitating more uniform and coordinated administration of AFDC and food stamps.

- Make a series of improvements in child nutrition programs through the provisions of H.R. 7, which passed the House overwhelmingly last year and has been reintroduced this year by new House Education and Labor Committee chairman Augustus Hawkins. H.R. 7 restores about one-seventh of the child nutrition costs enacted in 1981 and does this through such changes as lowering the cost of reduced-price school meals served to near-poor children, removing restrictions preventing day care centers and homes from serving more than two meals and a snack a day, and taking high medical costs into account in determining a family's eligibility for free or reduced-price meals. In addition, H.R. 7 requires that the nutritional content of school breakfasts be upgraded and provides additional federal support for breakfasts in order to accomplish this goal. Recent USDA research has found that school breakfasts are not as strong nutritionally as they should be. Most of the children in the breakfast program are poor.

- Raise the authorization levels for the WIC program so that more eligible low-income women, infants and children can be served. The WIC program is highly successful, but now reaches only a small proportion of those who qualify for it, due to funding limitations.

These proposals are designed as an initial, immediate response to the serious hunger problem in this country -- and are quite modest. Enacting all of these proposals would still leave in place over half of the Reagan cuts in the food assistance area.

President Reagan's Proposals for FY 1986

The Reagan administration has proposed further cuts in food programs in its FY 1986 budget. The new cuts would impose new hardships on many poor children. The new proposals include:

- Reducing WIC funding for the final months of the current fiscal year -- FY 1985 -- to such an extent that 245,000 low-income pregnant women, infants, and children at nutritional risk would have to be terminated from the program this summer.

- Setting a funding level for WIC next year that would limit the program to 100,000 fewer persons than are currently on the program.

- Freezing federal reimbursements for free and reduced-price lunches and breakfasts served to low-income children in schools and child care institutions. This freeze would be instituted even though the cost of the food served in the meals would rise. The result would be that school districts with heavy concentrations of poor students would either have to reduce the amount or quality of the food or to find new sources of funding to meet these costs.

- Terminating federal support for school meals served to children from families with incomes over 185 percent of the poverty line (now $18,870 for a family of four). This would almost certainly result in thousands of schools dropping out of the school lunch program, because it would no longer be economically feasible for them to operate the program. When schools drop out of the program, poor children in attendance at those schools lose free school lunches.

- Instituting a "means test" in the portion of the child care food program operated in family day care homes. This would significantly increase paperwork requirements on small day care homes, which are typically run by a mother caring for several children. Many day care homes, including homes that serve poor children, would be likely to drop out of the programs as a consequence.

- Ending federal funding for the program that now provides $50 million a year through states to food banks, emergency food agencies, and soup kitchens to help defray the costs of storing and distributing federal surplus foods (such as cheese). Many local charitable organizations are not able to distribute the cheese and other surplus items without some help in covering the costs of handling these items. The proposal to terminate funding for storage and distribution costs is likely to drive a number of these organizations to leave the program and to receive no further USDA surplus food items as a result. Less food would consequently be distributed to needy persons at many soup kitchens and emergency food pantries.

- Imposing mandatory "workfare," under which recipients must "work off" their benefits for no wages, as a part of the food stamp program. Workfare is already an option for any state or local jurisdiction in the country. Relatively few areas have implemented food stamp workfare (and some that did later dropped it) because this option has not proven to be cost-effective.

- Freezing the federal share of state food stamp administrative costs at FY 1985 levels, without any adjustment for inflation, which is likely to lead to an erosion in services to clients in many areas. Many jurisdictions already fail to meet federal requirements to provide benefits to eligible families on a timely basis.

NUTRITION: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
Food Stamps	$11,470.0[a]	$9,756.0	$11,079.3[a]	$9,531.1	$11,989.7	$10,901.3	$11,722.9	$10,780.9	$11,743.0	$11,855.8
WIC	900.0	637.5	904.3	637.5[b]	1,160.0	1,160.0	1,360.0	1,254.3	--[c]	1,479.8
School Lunch[d]	3,004.5	2,120.0	2,486.4	2,665.3	2,833.5	2,709.3	3,004.1	3,138.4	3,163.7	2,868.5
School Breakfast	322.6	299.5	319.4	--[e]	354.4	--[e]	364.9	393.4	397.7	414.5
CCFP	295.0	242.8	270.5	--[e]	335.2	--[e]	378.1	--[e]	429.3	322.3
Summer Food	148.8	0.0	88.8	0.0	91.9	--[e]	104.6	--[e]	115.1	117.2

[a] Actual food stamp funding levels shown here for FY 1981 and FY 1982 include funds for the food stamp program in Puerto Rico through June 30, 1982. Food stamp funding levels for other years do not include Puerto Rico, since the food stamp program in Puerto Rico was ended on June 30, 1982 and replaced by a nutrition block grant. The Puerto Rico block grant is funded at $206.5 million in the last quarter of FY 1982 and at $825 million a year in fiscal years 1983, 1984, and 1985.

[b] Proposed to repeal, include in MCH Block Grant; funding would have been cut by 30 percent.

[c] Congress appropriated $1,500.0 million for WIC in FY 1985. However, the appropriation is in two parts. $1,254.3 million was appropriated for the period October 1, 1984 through August 1, 1985. The remaining $245.7 million was appropriated for the August 2 - September 30 period, but the law stipulates that the August and September funds are to be released only to the extent that the Administration submits a budget request for these funds. The Administration has requested only $169.3 million of these funds, rather than the full $245.7 million Congress had appropriated. Thus, under the Administration's budget, a total of only $1,423.6 million will be made available for FY 1985 as a whole. Congress may yet act, however, to restore funding to the $1,500.0 million level originally intended.

[d] Includes commodities for child nutrition.

[e] Proposed to repeal, include in block grant.

9. Homeless Children and Families

> Jean Ross, a mother of five children who was expecting her sixth, dragged her children and herself around New York City, searching for shelter. The local welfare office in the Bronx had given her the subway tokens she was using as she hunted another night's lodging.
>
> This continual search began months ago when she was forced to leave her home in a dilapidated building that was being closed for renovations. She was then placed in one of New York City's welfare hotels, only to be evicted because her children made too much noise.
>
> Then she tried putting her children in foster homes in the hope that, unencumbered, she could locate an apartment for her family. When even that failed, she reclaimed her children and began again the daily subway shuttle from welfare office to overnight shelter to the streets: a constant, debilitating struggle for herself and her children.

The Seattle Emergency Housing Service, Seattle's largest emergency shelter for families, turned away 12,521 people in 1984. Of these, 7,236 -- 58 percent -- were children. The Corner House, a YWCA family shelter in Baltimore, turned away 1,977 families in 1983 and 2,631 families in 1984. The shelter has been filled to capacity since the day it opened two and one-half years ago. The number of families in New York City shelters has almost tripled in the past two years while the number of facilities used to house the homeless has quadrupled. There were 3,227 families -- including 7,667 children -- living in barracks, temporary shelters, hotels, or apartments provided by New York City, as of November 30, 1984.

These appalling statistics can be found today in cities throughout the United States. Increasing numbers of children are growing up without one of the key essentials of a decent life: a permanent, secure home. This unmet need has a negative impact on the mental and physical health, education, and future of these children.

It leads, in the end, to high costs to the nation.

Homelessness, one of this country's most visible tragedies, recently has come to be recognized as a serious national problem. Congress held hearings on the plight of the homeless in 1982 for the first time since the Depression era. A second round of hearings was held in 1984. Major newspapers and national magazines have featured articles on the homeless on an almost daily basis in the fall and winter of 1984.

Despite the general improvement in the country's economy, the number of people who have become homeless has increased dramatically in the past few years. Estimates of the total number of homeless range from 300,000 to three million. The composition of the homeless population also has changed significantly. According to a 1984 Department of Housing and Urban Development (HUD) study, 22 percent of the homeless in shelters -- not including runaway shelters -- are 18 years of age or younger. It is estimated that anywhere from 66,000 to 660,000 children are currently living without adequate, permanent shelter.

The ranks of the homeless are no longer limited to the stereotype of white, alcoholic, middle-aged men and a few "bag ladies." The homeless include the young, single men and women, and families with children. Many are minorities. Some of these individuals suffer from alcohol or drug abuse, others from mental health problems. Some have worked all their lives and are only recently unemployed; others have been without employment for a long time. With few exceptions the common denominator in this heterogeneous population is a lack of means to afford adequate housing. Homelessness is another manifestation of poverty.

Many of the homeless, especially the families, are often referred to as the "new poor." Five years ago they were able to earn enough to pay rent or the mortgage and meet other necessities of life. Today, whether from job loss, public aid cutbacks, or domestic disruption or change, they can no longer afford the basic necessity of shelter.

Mayor Harold Washington of Chicago characterizes the homeless population of his city in the following way:

No longer are the majority of Chicago's homeless alcoholics or drug addicts who can be accused of having participated in their own ruin. The majority are evicted poor, and former mental patients who have been abandoned by government and our other social institutions. We are also seeing increasing numbers of women and children among the homeless as the unemployment crisis in our cities, especially among Black families, continues. We find thousands of teenagers, some of whom are really children, who have been thrown out of their homes or fled because of family problems, and some who have been evicted by their institutional parents -- the state.

The Homeless Are Now More Diverse and Numerous

Here are two examples of what is happening throughout the country.

- Last winter a two-parent, unemployed family with two young children was burned out of its apartment. They lived with their one available relative while the father continued, unsuccessfully, his search for a job. The family was soon thrown out of their relative's small apartment and lived in the Trailways Bus Terminal for several weeks. They finally found emergency shelter where they remained for six weeks.
- Sarah Jones, a wife and mother of two daughters, lost her assembly line job in a Maryland plant in 1983. Within a short period of time, her husband left the family and filed for divorce. For several months Sarah was able to find the money for rent or to avoid payment, but she was finally evicted. She and her daughters went to live with relatives in a small apartment which created tension for all. After one of her daughters was sexually abused by the male head of household, she fled with her daughters to an emergency shelter. After a two-month stay in the shelter, they were fortunate to find subsidized, low-cost housing.

Based on cases from across the nation, a "typical" homeless family is composed of a single, female head of household with more than one child. However, in the past year, there has been a noticeable increase in the number of two-parent families living in shelters. There has also been an increase in the number of battered women and their children seeking shelters.

Although drug abuse, alcoholism, and mental health problems are found in a small percentage of homeless families, the vast majority of families become homeless because of economic problems. Usually they have been evicted from their housing units because they lack money or because they were displaced by public or private redevelopment efforts.

When possible, these families often "double up" and live with other relatives or friends. When this is no longer feasible, they try to live in bus stations, abandoned cars, empty buildings, or, an emergency shelter. Sometimes families are forced to separate, depending upon the type of shelters available. Children are sometimes separated from their parents and placed in protective care.

Most Shelters Do Not Provide Sufficient Services for Families

Poor families arrive at shelters with a wide range of needs, many more needs than most shelters can handle. Shelters, which usually are housed in private structures, vary greatly in size and types of services available. Most shelter operators attempt to provide not only temporary shelter and food, but also health services, employment counseling, and other social services to enable families to deal with their problems and ultimately find permanent homes. The House of Ruth, for example, in consortium with other women's shelters in Washington, D.C., has established a shelter program for pregnant women and newborn babies which includes pre- and post-natal care services and training. All shelters have varying time limits for a stay ranging from a few days to a year or more.

Despite the operators' best efforts, however, the conditions at most shelters are grim. In New York City, many families are sheltered in hotels that are also home to prostitutes and drug dealers. Health problems often exist because many of the families have lived in the streets for an extended period of time. Some shelters provide medical care and other social services; others only provide food and a bed. The lack of cooking facilities or recreational facilities for children often creates problems for families who stay in a shelter for more than a few weeks.

Shelters are often located far from a child's regular school so that his or her schooling may be interrupted. The psychological effects of homelessness and living in a shelter environment can be devastating for a child. Many of the children in shelters lack stability, hope, or any positive sense or desire for the future.

The number of homeless families and children now seeking shelters has grown to epidemic proportions, especially in the nation's largest cities:

- In Chicago there were approximately 30 emergency shelters with a total bed capacity of 1,100 in mid-1984. About 20 percent of these are used by families; approximately 40 percent are set aside for women and children.
- In Baltimore, a study by the Baltimore Health and Welfare Council found in 1982 that of the 11,282 homeless inhabitants of shelters, 2,200 were children.
- In Pittsburgh, an emergency shelter for women and children who are victims of domestic violence housed 346 women and children during the first six months of 1984. During this time, 542 people were turned away because of lack of space.
- In Boston, shelter staff reported a marked increase between 1983 and 1984 in the number of intact, two-parent families with children and pregnant women who had received no prenatal care.
- In Washington, D.C., 26 percent of the beds in shelters are for families; all are consistently full.
- In Salt Lake City, the number of women and children who are homeless is the highest it has ever been. This prompted a 1982 Mayoral Task Force to identify family shelters as the city's most crucial emergency need.
- In Santa Clara County and San Mateo County, California, there has been a 100 percent increase in the number of families using shelters over the past three years.

The prognosis for the coming years does not look good. The state of New York has estimated that there are approximately 110,000 families who are living in situations that can be classified as the "pool of potential homeless." Specifically, 30,000 families are living with relatives or friends and 80,000 families are living in substandard housing. The Boston Emergency Shelter Commission conducted a pilot study in which about 1,000 families in 12 neighborhoods were identified "in the precarious situation of habitating with one or more families in order to avoid becoming homeless." A 1984 Pittsburgh study identified 2,700 persons in families who, because of their severely deteriorated housing structures or overcrowded living conditions, would likely become homeless that year.

Three Underlying Factors Exacerbate the Problem

The causes of increasing homelessness for families and children fall into three categories:

- economic problems (unemployment, the high cost of basic necessities, and increasing poverty for both the old and new poor);
- cutbacks in federal social service benefits programs; and
- lack of decent, affordable housing for low-income persons.

The other commonly cited cause of homelessness -- deinstitutionalization of the chronically mentally ill -- applies to families only in rare cases.

The first two categories are explored in depth in other sections of this book. Major benefit cutbacks and changes in eligibility requirements in programs like Aid to Families with Dependent Children (AFDC) and certain Social Security Administration programs have occurred in the past four years. These translate into a loss of income for many families who are already hanging precariously from the "safety net." They are often enough to push them over the edge into homelessness.

The third major cause of this problem is the diminishing supply of low-cost housing. This shortage can be attributed to several factors. First, the federal government, the primary provider of low-cost housing units, has been essentially trying to step out of this business for the past several years. Significant cutbacks in funding have occurred since 1980 in the three existing assisted housing programs for lower income individuals: the Public Housing Program, the Section 8-New Construction/Substantial Rehabilitation Program, and the Section 8-Existing/Moderate Rehabilitation Program. As the table at the end of this chapter illustrates, the budget authority for assisted housing was $26.7 billion in FY 1980. In FY 1985, the federal government approved only $10.8 billion: a significant drop. The number of additional Section 8 units added to the stock was 296,977 in 1977. For FY 1985, it was cut to only an additional 100,000 Section 8 units. However, 87,500 of these are to be housing vouchers, which are rent supplements; they do not add to the supply of housing.

The cutbacks in the public housing program are even more draconian. In 1977, 57,436 units were added to the conventional public housing inventory. By 1983, HUD had more cancelled commitments, or "deobligations," than new reservations for public housing units resulting in a loss rather than any future additions to the public housing stock.

As the number of assisted housing units decreases, the number of households who benefit from these programs also drops. As the table shows, these three housing programs assisted an additional 317,026 households in 1978; by 1983 the number of additional households assisted annually plummeted to 53,732.

It is not surprising that the waiting lists for these assisted housing programs are more than filled to capacity. In New York City, 170,000 families have been declared eligible and are waiting for public housing units. Their wait is estimated to be between 15 and 18 years. Those applying now for a public housing unit in Washington, D.C. can expect to move into one in approximately 10 years. In New Orleans, the wait is two to three years. Pittsburgh reports a six year wait for a public housing unit based on current turnover rates. In St. Louis, there were 10,510 households on the waiting lists for 6,910 public housing units in January 1984. Over 14,000 city and county households were waiting for a vacancy in the 6,037 Section 8 units managed by the city and county authorities. Even though homeless families are sometimes given priority on public housing and Section 8 waiting lists, the supply of units in most cities does not come close to meeting their needs.

The second factor in the diminishing supply of low-income housing relates to private and public urban revitalization efforts. The current gentrification of many urban downtown areas often involves the elimination of older, low-cost dwellings which have traditionally been inhabited by the poor. Downtown Seattle has lost one-half of its housing stock in the past 20 years. The National Housing Law Project has estimated that 2.5 million people are involuntarily displaced from their homes each year through public and private redevelopment efforts, condominium and cooperative conversions, and building abandonment. Some of the displaced find new homes; many do not, and become homeless.

A third factor in the diminishing supply is that, in addition to the rising cost of housing, many people are being forced to spend a larger part of their total income on rent. This is known as the increasing rent-to-income ratio. A recent change in federal housing policy requires individuals living in subsidized housing to pay 30 percent of their income for their housing unit, a 5 percent increase over previous years. For people who are struggling to make ends meet, an increased housing cost may cause them to lose their homes.

States and Communities Grapple with Short-term Responses

Public and private task forces, coalitions, or other organized groups abound on the local, state, and federal levels to study the problems of the homeless, and to develop solutions. Some cities have established agencies to coordinate, refer, and in a few instances, provide emergency shelter facilities to their homeless populations. Programs that provide short-term rent or mortgage money to forestall eviction or loss of homes have been established in several localities. The Salvation Army, in addition to providing food and shelter for homeless families, offers rent or mortgage supplements. New York, Pennsylvania, and Massachusetts, among other states, have launched statewide programs to aid the homeless.

Most shelters are run by private organizations and groups like the Salvation Army, the YWCA, and religious and public service groups. Funding for these facilities comes from both private and public sources. Federal monies from the Community Development Block Grant Program and emergency food and shelter funds administered by the Federal Emergency Management Agency (FEMA) are commonly used by localities for their homeless. Seattle uses part of its General Revenue Sharing Funds for its shelter programs.

Cities and states are begging for additional federal funds and assistance to continue their local efforts to handle this ever-increasing problem. Many jurisdictions have almost depleted local monies and resources for the homeless. Thus far they have not received an adequate response from the federal sector.

The Federal Response Is Inadequate

The federal response to this national problem has been minimal at best. A Federal Task Force on the Homeless was established in the Department of Health and Human Services to oversee the federal response and to work with the private sector in meeting the needs of the homeless. Its major efforts to date have been to hold hearings and to publish a resource guide on the homeless, which details available federal and private services. Other federal efforts have been equally inadequate, as these examples attest:

- The Department of Defense appropriated $8 million for the repair and renovation of military facilities to be used for emergency shelters. From this, only two shelters were established and only a fraction of these funds were actually spent because of a combination of factors including neighborhood resistance to shelters, lack of local funds to operate them, and the Department's less than aggressive marketing and follow-through on the program.

- The General Services Administration is authorized to make surplus federal facilities available to local organizations for use as shelters. Its major effort has been a shelter in Washington, D.C., which houses 800 men, women, and children in a surplus federal building two blocks from the Capitol.

- Secretary Pierce of HUD sent a letter to all HUD area offices in 1983, instructing them to set aside certain inventories of their repossessed homes for local government or local charitable organizations to lease for one dollar per year to be used for the homeless. Inventories of these types of units vary greatly from city to city. Nonetheless, there were 17,763 units available nationwide by April 1984. As a result of HUD's failure to publicize them adequately, only a handful of units in a few cities have been used for this purpose to date. For example, only 15 units have been used for this purpose in Memphis, Tennessee. Not until January 1985 did Secretary Pierce send a letter to the governors and mayors of large cities to inform them of this program.

- Public housing authorities were advised by HUD to give homeless families and individuals priority on their waiting lists. Given the scarcity of available, adequate public housing units coupled with the program's need to collect rent on these units, this has not been a viable option.

- In one positive move, the Social Security Administration has launched an outreach program to the homeless to ensure that they are receiving the benefits to which they are entitled.

CDF Recommendations

The problem of homeless families and children must be viewed in terms of both short-term and long-term solutions.

For the short term, homeless families must be given adequate temporary shelter that is safe and conducive to -- not destructive of -- family life. However, even the best of the family shelters are not healthy, secure environments for children. They must be viewed as a stopgap measure which allows families to get past threats to their basic survival and find the time, energy, and means to obtain permanent shelter. New York Governor Mario Cuomo has said:

> Emergency food and shelter programs are essential in the short-term to meet the immediate and at times life-threatening needs of people with nowhere to go. But shelter programs must be designed as temporary stops on the way to a more stable way of life for homeless individuals and families. They should be able, at a minimum, to refer people to job training and job placement, and income maintenance services.

Any long-term solution to the plight of the homeless must address its causes. To help prevent homelessness we must:

- increase the supply of decent, low-cost housing,
- increase family income so that families can afford existing housing, and
- decrease the cost of obtaining adequate housing.

These actions require not only a strong federal, state, and local commitment to eradicating homelessness for families and children, but also more realistic funding for income support and assisted housing programs.

President Reagan's Proposals for FY 1986

Any doubt about the Reagan administration's indifference to the plight of homeless individuals and families has been dispeled by the administration's FY 1986 budget proposals, which call for a two-year moratorium on the production of any additional subsidized housing units, on rent vouchers, rental rehabilitation grants, and most funding for public housing. Specifically, budget authority appropriated for low-income assisted housing programs dropped from $10.8 billion in FY 1985 to less than $500 million in FY 1986. The number of additional households (or units) assisted annually will therefore drop from close to 100,000 in 1984 and 1985 to less than 6,000 in FY 1986. This contrasts sharply with the 354,413 households that were benefiting from assisted housing programs in 1977.

In short, the Reagan administration has completely eliminated the means by which housing for low-income individuals and families can be built or maintained. These drastic cuts, combined with the ongoing loss of units from abandonment, decay, conversion, and other private and public actions would exacerbate the already serious housing shortage for low-income people across the nation.

Net Additional Households Assisted Annually and Budget Authority Appropriated, Lower-Income Housing Assistance Programs, FY 1977-1986

	Actual								Administration Proposals	
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Additional Households Assisted Annually										
Public Housing[a]										
o Gross Reservations					36,370	12,136	2,812	7,974	7,000	0
o Deobligations					12,640	6,466	9,463	8,067	5,574	5,153
Net[b]	57,436	68,509	55,368	36,727	23,730	5,670	- 6,651	- 93	1,426	- 5,153
Section 8-New Construction/ Sub. Rehab.										
o Gross Reservations					73,861	26,973	15,869	14,410	11,617	0
o Deobligations					22,226	15,179	9,557	4,698	2,900	1,000
Net[b]	169,396	122,045	145,038	92,763	51,635	11,794	6,312	9,712	8,717	- 1,000
Section 8-Existing/ Moderate Rehab.[c]										
o Gross Reservations[b]	161,581	135,472	124,669	76,402	110,270	106,433	127,857	129,865	110,349	14,500
o Deobligations					7,920	8,159	11,107	N/A	3,500	1,450
o Conversions[d]	34,000	9,000	22,000	18,000	18,830	59,902	62,679	45,046	1,700	1,000
Net	127,581	126,472	102,669	58,402	83,520	38,372	54,071	84,819	89,849	12,050
Total Net Additional Households Assisted Annually	354,413	317,026	303,075	187,892	158,885	55,836	53,732	94,438	99,992	5,847
Budget Authority Appropriated (in millions of dollars)[e]										
	27,983	31,484	24,396	26,680	24,951	13,275	8,651	9,913	10,759	499

---

[a] Includes Indian housing program.

[b] All reservation figures for 1977-1980 are net of deobligations, which were not separately identified in those years.

[c] Includes households to be assisted under the housing voucher program beginning in 1984.

[d] Includes units converted to the Section 8 program from the Section 23, Rent Supplement, and Rental Assistance programs. The figures for 1977-1980, when only Section 23 units were being converted, are estimates. Figures for 1981-1983 are actuals and include units converted from all three programs.

[e] Figures are net of rescissions.

10. Education

By the time Larry Thomas entered high school he was 16 years old. He had never really liked school and had always struggled just to get by. High school was even worse. He was now older than almost all of his classmates and that bothered him. His teachers and the school officials considered him "slow" and a "troublemaker." He felt that they did not really want him around. Most days he obliged them. After a year and a half of irregular attendance, he stopped going.

Larry just turned 20 last month. He has survived by getting money from various sources -- not always legal ones -- but he has avoided any brushes with the law. He tried to get a job, but there are not many for a high school dropout with no job experience. A few months ago, Larry found out that his girlfriend is pregnant. They want to get married, but she wants to wait until he has a job.

Larry has turned to a local government-supported employment program for help. His counselor is working to improve his job skills and prospects, to place him in a job soon. "First we try to find a job for these kids, then we work on improving their skills and maybe getting them more education. We hope that will get the kid a better job. But even after the initial placement, it is a tough fight. Many are like Larry: turned off on education and unprepared for the world because the schools just didn't do their job. We try to give them a second chance. Larry really wants to make it -- for himself and his girlfriend and the baby. It's just hard for us and for him to overcome the effects of that first failure. Too many kids just like him don't -- despite all our work."

Schools are places where our children grow up. If children like Larry are to become self-sufficient adults, schools must do their job effectively. Schools could not guarantee Larry's success in life -- but a good school could reduce the need for the costly programs upon which he now depends. However, the benefits of effective schooling cannot be measured in merely economic or budgetary terms. An effective education better prepares citizens to participate fully in our nation's life, thereby strengthening our society and our government. Schools can become a major force helping to equalize the opportunities of all children in our society.

The school system today is meeting this challenge unevenly. Too often, instead of developing each child's potential, schools undermine it because of inaccurate expectations of the child based on race, gender, or economic status. To a large extent, this is because schools have yet to find comprehensive solutions for three major problems: the large number of secondary students who do not stay and progress in school, the achievement gap between white and minority students, and the inadequacy of present school programs designed to prepare youth for the world of work.

The school system's present inability to deal with these problems is costly in both human terms and in dollars. For example, the school child who repeats a grade feels stigmatized by his or her peers; he or she also costs the school district $2,000 per year. With more than 10 million grade repeaters each year, this becomes an expenditure and a problem that we cannot afford to ignore.

Large Numbers of Secondary Students Are Neither Staying in School Nor Progressing

Although schools cannot teach students who are not there, the school systems, particularly those in the big cities, are not making sufficient progress with the problems of school dropouts and truancy. In addition, the increasing emphasis on grade repetition to help underachievers not only fails to advance a child's learning, it also increases the likelihood that the child will drop out or become a truant. Despite gaps and inconsistencies in national data on dropouts and truants, certain general conclusions and broad trends are evident:

- The overall dropout rate has declined only slightly in recent years, from 16.1 percent in 1971 to 15.3 percent in 1983. At that rate, more than 6 million of the 41 million children now in school will not receive a high school diploma.
- The dropout problem is more severe in big cities -- now 16 percent above the national average -- and among

> minorities. Almost 20 percent of black youth and 33.9 percent of Hispanics are dropping out today as opposed to 14.5 percent of whites.

Official "dropout" numbers give only a partial picture of the problem. Chronic truants are virtual dropouts: they are not in school long enough for it to make a difference. Although data on truants are sketchy, researchers estimate that due to truancy, our school systems fail to reach millions of additional teenagers every year.

Today, a greater proportion of youth who do stay in school are repeating grades. Between 1977 and 1983, the percentage of students who repeated or were repeating a grade had grown from 17.6 percent to 22.1 percent, an increase of more than 25 percent. Black students have suffered an even steeper increase: from 23.8 percent to 30.8 percent. The percentage of 18 and 19 year olds who are still in high school has increased from 9.8 percent in 1978 to 12.8 percent in 1983: a disproportionate number of them are black and Hispanic.

Grade repetition is prevalent, despite the evidence that it does not advance and many even retard a student's academic progress. Several studies show that students who fail to master material the first time around are unlikely to learn it the second time. Grade repetition can lower a student's self-image and retard his or her social maturation. After it has occurred more than once, students find themselves overage and frustrated in the high school setting, more willing to quit than to continue.

The practice of grade repetition also hides another reality. Although the gap between the black and white dropout rates appears to have narrowed in recent years -- the black rate was as high as 26.7 percent in 19[illegible] -- this change is not all due to progress. Because of the increased reliance on grade repetition, many of these students are still in high school after age 18. Some do graduate, but at an older age. Others leave school at 19 or 20, still without a diploma. Thus, the decline in the dropout rate overestimates the educational progress that has occurred.

Some secondary schools have developed successful programs that keep teenagers in school and learning. There are many appropriate alternatives to both grade repetition and social promotion. It is unfortunate that so much of the recent push for school reform has focused on "tougher" standards and has led many school officials to ignore these experiments and to increase their reliance on failing those students who learn more slowly or who need different teaching techniques. This approach offers little promise of improving the dropout problem.

Despite Gains, the White-Minority Achievement Gap Persists

Over the last two decades, schools have made consistent and significant progress in reducing the differences in the achievement levels of black, white, and Hispanic students. According to the National Assessment of Education Progress (NAEP), black students demonstrated consistent gains in reading test scores from 1970 to 1980. The performance gap on reading tests for black and white students born in 1970 was half that for students born in 1953. From 1972 to 1978, the difference in black and white math scores declined for both 9 and 13 year olds. Recent SAT scores reinforce these conclusions. The black-white gap reflected in the NAEP mathematics scores decreases the most for the younger students. This suggests that the post-1960s compensatory education programs on the elementary level are beginning to do the job they set out to do.

Despite this progress, the gap that remains is significant. The most recent NAEP tests on mathematics revealed that as a percentage of white scores, black 9 year olds averaged 77 percent, black 13 year olds averaged 76 percent, and black 17 year olds averaged 71 percent. On the reading tests, black 9 year olds scored 85 percent as high as whites of the same age, 13 year olds scored 77 percent, and 17 year olds scored 73 percent.

School-based reforms have had a tremendous impact on achievement scores in some of our inner cities' poorest neighborhoods. Compensatory education in the elementary grades, preschool programs, and desegregation have also been shown to improve black children's achievement. It is unfortunate that many proponents of the new commitment to "excellence" in the schools see it in competition with a commitment to equity. Commitment to excellence need not and should not undermine the gains made through these successful programs.

Schools Leave Many Youth Unprepared for the World of Work

Schools have another, more traditional mission: to prepare students to compete successfully in the world of work, either through direct training or through preparation for further education. But many of our youth today, especially minority youth, are not receiving even the most basic preparation for work from schools.

Many dropouts, truants, and grade repeaters lack basic skills in reading, writing, and mathematics. It is not surprising that one in three high school dropouts and one in two black high school dropouts are included among the 20 percent of the youth who experience the most unemployment after leaving school. The percentage of male high school dropouts who experience at least one week of unemployment ranged from 58 to 67 percent.

Vocational-technical education programs, which are designed to keep youths in school and teach them a job skill, often fail on both counts. They not only fail to teach basic academic skills, but studies show that they fail to help most students gain employment after graduation. Less than one student in five ever finds employment in their field of study or a related field.

In response to this evidence, some schools have begun to experiment with work experience programs that are linked to academic skill development courses. Such an approach, although promising, is being tried in only a few schools to date. Most continue to offer only vocational education programs of questionable value and relevance to their students.

Need for Federal Programs

For the past two decades, the federal government has set up targeted programs to overcome income or racial barriers and thereby provide an equal educational opportunity to every American child. The previous discussion indicates that some of these programs are beginning to work, but that they still have a long way to go in reaching that goal. However, just as this initiative is about to take hold and show long-term benefits, the federal government is pulling back on its commitment to equal education -- a change that is apparent from new federal policies and significant shifts in funding patterns in recent years.

Funding. At first glance, the educational funding picture looks healthy. From 1963 through much of the 1970s, as school population grew, total funding grew. Even in the last several years of government austerity, funding growth has kept pace with inflation.

However, within this overall growth, some troubling shifts have occurred. The federal government's share of the nation's investment in education, which grew to 9.8 percent of total spending by 1979, shrank back to 6.6 percent in 1983. Even this seemingly minor erosion in the federal role signals a shift away from educational programs targeted to help minority and handicapped students.

The reduction of the federal role in education comes at a time when there are large pieces of the education challenge that are not effectively addressed by any government program. Moreover, policy changes and budget cuts in federal programs under the Reagan administration threaten to halt the crucial leadership role the federal government has played for minority and handicapped children. While state education reform efforts show significant promise for improving school programs, targeted federal programs are crucial in ensuring that the benefits reach every American child.

Compensatory Education. The federal compensatory education program (formerly Title I, now Chapter 1) has been widely hailed for its success in reducing the achievement gap between white and minority students. NAEP, for example, attributes the reduction of 40 percent of the gap in reading achievement in the 1970s to federal compensatory education programs.

But these programs do not reach a majority of minority youth. As of 1979, they were reaching less than half of the affected elementary school population, and very few high school students.

Moreover, funding cutbacks and legislative changes in recent years have resulted in:

- 790,000 fewer children being served in the 1982 school year than in the 1979 school year -- a 15 percent decline;
- the elimination of high school, kindergarten, math, and science Chapter 1 programs in school districts in 12 states;

- the dramatic decrease in parent involvement in 25 states; and

- the dramatic reduction in state monitoring and guidance in 25 states.

Bilingual Education. Studies have demonstrated that high quality bilingual education programs can improve the achievement level of students with limited English proficiency. For example, two separate studies in the mid-1970s discovered that 58 percent of the results of the program evaluations were positive while only 1 percent were negative. These programs are also needed to cut the high dropout rate among Hispanic students -- which is now twice as high among Hispanic youth who grew up in non-English speaking houses.

But bilingual education is not reaching all of those who need it. As of 1980, only about one-third of the approximately 3.6 million eligible students were receiving help under these programs. Of the 55,000 teachers using a non-English language, two-thirds lacked academic qualifications, and only one in five knew the language well enough to teach subject matter to these students. This leaves a pool of only about 12,000 qualified teachers -- enough to teach only one-tenth of those who need to be in bilingual education classes. Due to post-1980 federal funding cuts, the number of students served by federal bilingual education programs has declined by a third.

Vocational Education. Effective, well-planned vocational education programs could help keep marginal students in school and provide them with a career after graduation. But current programs are not meeting this challenge, despite the over $5 billion that federal, state, and local governments are spending on them annually. Robert Meyer and David Wise of Harvard University concluded in 1982 that there is "no significant effect of current forms of high school vocational training on early labor force experience," a finding generally endorsed by a 1983 Stanford University study.

Vocational education programs continue to perpetuate inequities by segregating students by sex and race. Although some progress has been made as a result of the 1976 Federal Vocational Education

Act, women are still clustered in "traditionally female" occupation programs. For example, in 1979 women were 87 percent of the students training to be nursing assistants, but only 4 percent of those studying carpentry. Blacks are significantly overrepresented in programs for appliance repair and custodial services, and severely underrepresented in programs for agricultural production, electronics, welding, and machine shop. To some degree this is due to self-selection, but to a large extent it can also be linked to barriers and disincentives growing out of these programs.

Education for the Handicapped. The special needs of handicapped students are addressed by the Education for All Handicapped Children Act (P.L. 94-142). Under this law, handicapped children have made dramatic gains that parallel those of minority students. Since 1976, 600,000 more handicapped students entered school. Almost all are in school today, according to reports by SRI International, the Office of Special Education and the General Accounting Office, although there are disparities in the quality of educational services available to them.

For the past few years, however, cuts in the P.L. 94-142 state grant have reduced the federal contribution for handicapped students from 15 to 8 percent of the national average per pupil expenditure. Some states have tried to compensate by increasing their share of support for these services; others have cut costs by cutting out specialized services.

- In Alabama, for example, the lack of federal funds for special education programs has prompted many rural and some urban school districts to shift handicapped students out of smaller self-contained classes into larger self-contained classes, referred to as "resource" classes. The result has been a dilution in the services available to the students and an increase in the ratio of students to teachers. The State Superintendent estimates that 770 additional teachers are needed to meet the needs of students who are currently unserved or are in these overloaded classes and state funds cannot be found to fill the gap.

Block Grants. In 1981, the federal government shifted a number of categorical programs into a single block grant. The impact of this change was devastating for the big city school districts. The block grant meant federal funding cuts in crucial programs that ranged from 68 to 92 percent for such cities as St. Louis, Cleveland, Buffalo, Dallas, Boston, San Francisco, Minneapolis, and Memphis:

- The Montclair Public Schools in Montclair, New Jersey, received almost $200 per pupil from the federal government prior to the federal funding reductions. Under the block grants they receive only about $10 per pupil. The 3,000 students who once participated in desegregation programs and gifted and talented programs has dropped to 300. Thanks to a $250,000 state grant, more will be served for at least one year. But desegregation programs and outreach programs to improve school-community and school-parent relations have been completely eliminated. This pattern has been reported throughout the nation.

CDF Recommendations

While existing federal educational programs have achieved some measure of success -- notably in narrowing the black-white achievement gap -- they still have not effectively addressed the school system's remaining problems. In reducing the linked problems of dropouts, truants, and grade repeaters, programs such as Chaper 1 and bilingual education, which could help, only reach a fraction of the students who need them. If we are to close the achievement gap, Chapter 1 must be extended to all minority youth. Vocational education is an inadequate answer to the problem of how to equip youth for the workplace and needs to be reexamined.

Our school system must meet the challenges that face it. The Children's Survival Bill offers some suggestions for immediate federal actions to ensure that our schools help our children develop into productive self-sufficient adults:

A Focus on Early Investment. A 20-year study of graduates of a Head Start-type program documented in graphic terms the enormous cost benefits of investing early in our children:

- such children were more successful in school in terms of academic achievement and graduation rate,
- such children secured better jobs after they left school, and
- such children were less costly to society in terms of social services and law enforcement costs.

The Sustaining Effects Study of Title I programs confirmed these findings. It concluded that, if we catch children before they fall too far behind, we can better help them.

Many states, school districts, and schools have recognized this and are expanding their programs for four- and five-year old children. The federal government should move to support this effort and ensure that it draws upon the experiences of the successful Head Start programs. The Children's Survival Bill includes two programs to do so:

- Chapter 1 Early Childhood Education Grants which would focus funds early on children who are starting to fall behind their peers; and
- School-Based Early Childhood Education Demonstration Projects to ensure that the lessons of Head Start programs are incorporated into school-based early childhood education programs.

Help for High School Students. While recent reforms have affected some high school students, those with the greatest needs -- dropouts, truants, and grade repeaters -- have been ignored. The Children's Survival Bill includes three proposals focusing on these students:

- Dropout Prevention and Recovery Act, to establish a uniform nationwide reporting system to keep track of dropouts and truants, support demonstration projects to identify potential dropouts and keep them in school and support demonstration projects to get dropouts back into school;
- School-Based Student Enterprises, to use student-run businesses to expand the work opportunities and vocational experiences of students and to strengthen their basic academic skills; and

- University-High School Partnerships, to establish partnerships between universities and high schools that support programs that improve the academic skills of high school students, increase their opportunity to continue their education past high school and improve their prospects for employment after high school.

A Blueprint for School Improvement. The studies of schools by Boyer, Sizer, and Goodlad all emphasized the need for school-based improvement programs. The Effective Schools research pioneered by Ronald Edmonds also concluded that school improvement was a school based-effort -- often varying in detail from school to school. At the same time, these studies have also emphasized the need for schools to view their responsibilities broadly in promoting school improvement. The Children's Survival Bill would include two programs that build upon this research:

- Hawkins' Effective Schools Development Act, to focus federal funds on local schools that have adopted specific school improvement programs; and
- School-Based Comprehensive Services Center Demonstration Projects, to provide, directly or through referrals, health, counseling, child care,and other services to students in a school setting, focusing particularly on those students most likely to leave school or fail academically.

Support for Successful Programs. Finally, The Children's Survival Bill emphasizes increased funding for existing and successful programs. Such programs have in the past effectively met the needs of particular student populations, especially in the elementary schools. But in recent years, these programs have suffered funding cuts, reducing their effectiveness and scope. The Children's Survival Bill includes significant funding increases for four education programs:

- $400 million for Federal Compensatory Education (to increase the number of students served to 5.4 million);
- $91 million for Federal Bilingual Education (to increase the number of students served to about 350,000);

- $200 million for Federal Education for the Handicapped (to increase the federal contribution to 12 percent of the average per pupil expenditure); and
- $75 million for federal desegregation assistance (to expand federal support for local programs associated with desegregation plans).

An Agenda for Self-Sufficiency. The proposals incorporated in The Children's Survival Bill are only the next step in a larger effort to ensure that our schools can do their part in making our children productive self-sufficient adults. The federal government has an important leadership role in working with state governments, school districts,and other public and private institutions on this effort. This longer-term effort will require:

- continued improvement of Chapter 1 to ensure that it adequately targets disadvantaged students and effectively meets their needs;
- reform of the Chapter 2 block grant to ensure that its funds are used effectively to meet locally- and nationally-recognized needs;
- reform of the Vocational Education Act to ensure that local vocational education programs provide students a wide range of work experiences and adequate basic academic skills; and
- continued expansion of existing and new education programs that demonstrate effectiveness in meeting the needs of our students.

The President's Proposals for FY 1986

President Reagan's education budget for 1986 represents a renewed attack on many successful federal education programs. The President's FY 1986 budget includes $15.5 billion for education, or 16.4 percent below what the administration itself estimates is necessary to maintain the current level of program services. It is $2.4 billion below the appropriations for FY 1985. This cut is larger than all the other education cuts ever proposed by the President, with the exception of FY 1983 when the administration cut $5 billion. In 1985, $500 million in supplemental funds are needed to allow the Pell Grant and Guaranteed Student Loan programs to meet their statutory requirements. In light of this, the President's proposal is almost $3 billion below the 1985 funding level.

Moreover, the administration anticipates little growth in total education funding through 1990. At that time, President Reagan's education budget will be about 17.6 percent below its current service level.

Programs for Disadvantaged Students

The President's 1986 budget harms five key programs that help disadvantaged preschool, elementary, secondary, and college students: the basic grant under Chapter 1 of ECIA, TRIO (Special Services for Disadvantaged College Students), and three migrant programs (the migrant state program under Chapter 1 of ECIA, the High School Equivalency Program, and the College Assistance Migrant Program).

- Chapter 1 (Compensatory Education). The President is proposing to freeze its funding at its 1985 level -- $3.2 billion. Despite claims by the department, the freeze will lead to a reduction of at least 100,000 students served by this program. President Reagan's proposal for Chapter 1 through 1990 would barely allow the program to keep up with inflation (even with the President's remarkably optimistic inflation estimates).

- TRIO (Special Services for Disadvantaged College Students). This program would be cut to $82 million from a current level of $175 million -- a cut of 53 percent. The President's proposal would eliminate the Talent Search, Educational Opportunity Centers, and Staff Training Programs and cut the Special Services and Upward Bound programs. About three-quarters of the 500,000 students currently helped by TRIO would lose services under the President's proposal.

- Migrant Education. The Chapter 1 migrant program would be cut by $41.5 million in 1986 and $34.1 million in 1987. This will reduce the number of students helped by this program from 400,000 to 260,000 by 1987 -- a cut of 35 percent over two years. Another 3,500 students would lose services due to the elimination of the High School Equivalency Program (HEP) and the College Assistance Migrant Program (CAMP) -- to save a total of $7.5 million each year. Although these two programs are small, they are remarkably effective: 92 percent of the HEP participants were successfully placed in higher education, training programs, or employment; 83 percent of the CAMP participants completed the first year of college with at least a B- average. The administration insists that migrant students can receive services under other programs, but with no increases in funding for these programs, this is impossible.

Programs for Handicapped Students

- P.L. 94-142. The state grant would be frozen at its 1985 level of $1.135 billion. This will mean that the federal contribution will continue to decline to about 7 percent from its 12 percent level in 1980. This puts a squeeze on school districts that are trying to adequately serve handicapped students.
- Special programs. All special programs under P.L. 94-142 would be frozen except the Deaf-Blind Centers, which would be cut by $3 million, and the Personnel Development Program, which would be cut by $11 million. The cut in the Deaf-Blind Centers wil lead to the virtual elimination of direct services to these handicapped students. The cut in the Personnel Development Program ignores the shortage among special education teaching personnel of about 25,000 and the decline in related services personnel that began in 1979.

Programs for Limited-English Proficient (LEP) Students

- Bilingual Education Act. The President would freeze the Act at its current level -- $143 million -- and plans to continue the freeze through 1990. The budget would also reallocate $9 million between the teacher training program and the basic grant. This increase in the basic grant would allow about 10,000 more LEP students to be served by the federal program, but it is minimal compared to the vast number of students who have not been helped. Also, the proposed teacher training program cuts will reduce the number of teachers trained by one-half.

Student Aid Programs

The most onerous of all of this year's education cuts is in the student aid program. The proposed $6.3 billion funding level represents a 23.4 percent cut from 1985 and is 23.1 percent below the amount needed to maintain services at their 1985 level.

To achieve these deep cuts, the administration is proposing a number of disturbing legislative changes, including:

- imposing a $4,000 "mega cap" on the total student aid a student could receive in one year under all federal programs,
- placing a family income eligibility limit of $32,500 for the GSL program and $25,000 for all grant programs, and
- requiring the student to contribute $800 from personal or family resources to be eligible for federal aid.

Taken together, these three changes create significant financial barriers for qualified students from both low-income and middle-class families who desire to attend any but the most low-cost institutions. Wealth, not merit, will be the overwhelming determinant of who can go to college and where.

The Department of Education admits that these programs would cause total awards and the number of students helped to drop by about one-fifth. Nor will this decline affect only the "middle class" as the department claims. Over half of the 800,000 students who would lose "Pell grants" come from families with incomes under $12,000. Over 27 percent of private college students will have their awards reduced an average of $1,585. This includes 40 percent of the students from families with incomes below $18,000 and 43 percent of those from families with incomes less than $6,000. Twenty-two percent of the students in traditionally black colleges will have their award reduced.

Other Proposals

- Equity. Among the many programs slated for elimination, three are particularly important in promoting equity in our schools: the new Magnet Schools Act, the Desegregation Training and Advisory Service Program (Title IV-A of the Civil Rights Act), and the Women's Educational Equity Act (WEEA). The administration insists that these programs can be eliminated and funded through the existing Chapter 2 block grant. While it is true that the programs could be supported using block grant funds, the reality is that states and school districts have used less than 5 percent of their funds for equity purposes. Moreover, funding for the block grant is also being frozen, so no extra money would exist to fund these extra activities.

- Libraries. The administration is again proposing to eliminate federal assistance to libraries, which amounted to $125 million in 1985. These funds allow over 8 million persons in orphanages, mental health institutions, hospitals, prisons, and programs for the blind and physically handicapped access to library services. They also support delivery services to the elderly and rural residents and other valuable services.

- Tuition tax credit. The administration's major proposal -- the tuition tax credit -- would benefit middle-class Americans almost exclusively. While families with incomes up to $60,000 would receive aid under this program, many poor families would be unable to benefit due to their limited tax liability. Tuition tax credit measures would add at least $2 billion to the federal deficit over the next three years, and possibly much more.

EDUCATION: FUNDING AND BUDGET REQUESTS FY 1981-FY 1986
(in millions of dollars)

Program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
Chapter I Compensatory Education	3,104	2,474	3,034	1,942	3,200	3,014	3,480	3,480	3,688	3,647
Chapter II	632	519	470	433	479	479	479	729	532	532
Bilingual Education	161	127	138	95	138	95	139	139	143	143
Education of the Handi-capped	1,025	784	1,069	846	1,199	1,110	1,241	1,214	1,321	1,306
Vocational Education	682	549	656	443[a]	729	443[a]	738	738	738	738
Student Aid	6,337	5,463	6,643	4,285	6,718	5,896	6,243	6,495	7,950	6,283
TRIO	156	140	150	82	155	85	165	82	175	82
Desegregation Training	37	0	24	0	24	0	24	0	24	16
Libraries	84	58	80	0	130	0	87	0	125	0

[a] Proposed to include in block grant with Adult Education.

11. Employment

Clare Jones lives in Denver, Colorado. She is 20 years old and has three sons aged four, two, and nine months. Clare volunteered for a federally funded Work Incentive (WIN) employment training program in June 1983 to help herself and her children.

That fall, she completed her GED and began clerical training in a local WIN office. She participated in a work experience program in a local data processing company which offered her a job in January 1984. For the first time in the last four years, she was no longer receiving federal income support from the Aid to Families with Dependent Children Program. Even when she lost her job through a cutback, she was determined not to go back on AFDC. She was fortunate to find another job through her WIN contacts.

Today, Clare is a data entry operator making $6.00 an hour. Her sons are in the same day care center they entered when she was working to pass her GED. The state will continue to provide day care assistance until Clare can increase her earnings. She says today, "I needed the support and help of the WIN staff. I am very grateful."

Today, three years after the low point of the recent recession, unemployment in many regions of the country and among certain sectors of society remains as high or higher than it was in late 1980, the last prerecession period. While there has been a recovery for some, the absolute numbers show there has been no recovery for a great many.

Over 8.5 million Americans were unemployed in December 1984. In addition, 1.3 million more individuals had become discouraged and given up looking for work so they were not even counted among the officially unemployed. Further, 5.5 million Americans are under-employed, or working in part-time jobs when they would like to be working full time.

A state-by-state analysis of unemployment figures reveals a growing division within the United States. While certain areas of the country seem marginally better off than in 1980, others are worse. Of the 15 states and the District of Columbia that still have unemployment rates higher than the national average, all but two -- Michigan and Oregon -- suffered from higher unemployment in August 1984, than in August 1980. For example, unemployment in the Duluth-Superior region of Minnesota and Wisconsin rose from 8.3 percent to 12.4 percent between August 1980 and August 1984. The unemployment picture is estimated to be even worse in many rural areas, which are not included in official survey samples and where many jobs are not covered by the unemployment insurance that is the basis for official unemployment statistics.

The unemployment rates of certain groups -- blacks, Hispanics, youth, and female heads of households -- continue to soar well above 1980 rates and above the national average of 7.1 percent. In November 1984, for example, 15 percent or nearly 2 million black workers were unemployed. That same month, 10 percent of the nation's Hispanic population -- 646,000 workers -- were unemployed.

In addition, the average length of time for which a worker is unemployed is now nearly two months longer than it was in April 1980. The average duration of unemployment was 17.5 weeks in November 1984. Of the total unemployed, 58.6 percent were unemployed more than 5 weeks; 30 percent -- 2.4 million people -- were unemployed 15 weeks or more. Furthermore, the 1.3 million discouraged workers at the end of 1984 represented an increase of 200,000 people over the number at the end of 1980. Nearly half of these discouraged workers are black, an increase of at least 140,000 over 1980 figures.

These unemployment statistics represent a complex mixture of long-term, structural unemployment and more temporary, "cyclical" unemployment. Among the sectors now suffering the effects of high unemployment, two groups in particular -- America's youth and unemployed families -- threaten to add significantly to the permanent, structural unemployment problem if their needs are not addressed.

Teenages Are Especially Hart Hit

The November 1984 statistics substantiate that joblessness among black teenagers remains at Depression levels. The Bureau of

Labor Statistics reported that the black teen unemployment rate increased during the month from 40.2 to 40.8 percent, while the white teen rate dropped from 16.1 percent to 14.9 percent, further widening the employment gap between the two groups. At the end of the third quarter of 1984, 22.5 percent of Hispanic youth were listed as unemployed. These figures may underestimate the problem. According to the Roosevelt Centennial Youth Project, on the average during 1983 an additional 1.55 million teenagers were classified as outside the labor force and not counted as unemployed even though they expressed a desire to have jobs.

The Reagan administration is taking credit for creating more than 6.7 million jobs since November 1982, but less than 3 percent of these have been for youth aged 16 to 21. Currently, only 24.9 percent of black and 35.9 percent of Hispanic youth are employed, compared to 48.7 percent of white teenagers.

Today's youth are the future labor force, the supporters of Social Security, the engine of the economy, and shapers of our society. But certain major problems now stand in the way of an improved employment picture for America's teenagers.

One major problem is the inadequate job schools are doing in preparing our youth to enter the job market: many students drop out, and too many who graduate often do so without the necessary skills to obtain and hold a job. Although unemployment rates are high for all youth, dropouts experience a much higher incidence of unemployment than do high school graduates. The percentage of male high school dropouts with at least one week of unemployment ranges from 58 to 67 percent, while for high school graduates the range is from 20 to 41 percent. Differences for females are less pronounced, perhaps because female high school dropouts are less likely to be seeking jobs than female high school graduates. Even youths who do have diplomas have often not been sufficiently prepared to compete effectively for jobs. Over 37 percent of black high school graduates and 23.5 percent of white graduates were unemployed as of November 1984.

Because the dropout problem and the unemployment problem are linked, some schools have developed programs that address both at once. Minneapolis created a program to give eleventh graders from low-income families counseling, remedial reading services, and private sector summer jobs to train them for later employment. Once the students graduate from high school, they are given full-time jobs by one of the businesses participating in the program. However, there are far too few slots to serve all of the city's eleventh graders and there are far too few of these programs in schools around the country. (For a further discussion of the school dropout problem, see the Education chapter of this book.)

A second major problem for teenagers is that the high rate of adolescent pregnancy compounds employment problems and has boosted the dropout rate. Of the 1.1 million teenage mothers in 1981, about 670,000 did not finish high school. Most studies indicate that early childbearing causes many young women to drop out of school and lowers their overall level of educational attainment. In one national study by Mott and Shaw, about half of all white and two-thirds of all black teenage dropouts gave pregnancy or marriage as their reason. The pregnancy-dropout syndrome is complex and mutually reinforcing. Too often, it leads to limited labor force participation and welfare dependency. Approximately 60 percent of Aid to Families with Dependent Children (AFDC) recipients had their first child when they were a teenager.

Young fathers as well as mothers are affected by adolescent parenthood. According to a report prepared by the Massachusetts Alliance of Young Families, many young fathers quit school to help support their families and therefore had lower educational levels and poorer paying jobs than those who delayed parenthood.

Other problems facing teenagers as they seek employment are the shortage of appropriate entry-level jobs and the lack of training opportunities to prepare them for the working world. The scarcity of jobs for youth is particularly apparent in inner cities and depressed rural areas where there are large concentrations of minorities and the poor. Despite the growth in some service sector jobs, for instance in transportation and communications, they are often not available to teenagers who lack appropriate education and training.

Families with Children Face Complex Problems

Unemployment has also had a significant impact on many families with children. There were 5.7 million children with at least one officially unemployed parent as of March 1984. The human impact of unemployment is severe. According to a recent study, "Estimating the Effects of Economic Change on National Health and Social Well Being" by M. Harvey Brenner, Ph.D., increased unemployment rates are related to increases in such problems as imprisonment, mental hospital admission, and divorce rates.

Female-headed households continue to experience higher than average unemployment, at a rate of 11 percent as of November 1984. In that month, 663,000 women who head families sought work but were unable to find it, compared with the 626,000 who were seeking jobs when the recession started. As of March 1984, 3.6 million female heads of families were living in poverty, of whom one million were employed and another 469,000 were actively looking for work. Women who head families are more likely to be impoverished, unemployed, underemployed, and underpaid, despite their desire to participate in the work force.

For many poor families, unemployment benefits are the bridge that helps them survive periods of joblessness. But for many other families, those benefits are not available or do not cover the entire period that they are out of work. According to the Bureau of Labor Statistics, less than 30 percent of the unemployed were receiving any form of unemployment insurance benefits in July 1984, the lowest such percentage in the history of the unemployment insurance program. The Bureau's analysis shows that there are actually more unemployed workers without benefits now than at the worst of the recession in November 1982.

Regular benefits, available for up to 26 weeks, are financed by state payroll taxes on employers; extended benefits are provided with federal funds in states whose Insured Unemployment Rate (IUR) is great enough. But in 1981 the Congress, at the Reagan administration's urging, changed the way the IUR is calculated. An increase in unemployment in a state is now the basic trigger. Thus, states with constant high levels of unemployment do not trigger federal benefits. As a result, today no state qualifies for extended benefits and unemployed workers in states with unemployment rates above the national average receive no benefits. For example, in Michigan, with an unemployment rate of 10.7 percent as of November 1984, only one-fifth of the unemployed (i.e., the recently unemployed) were receiving benefits.

Unemployed families that do not receive unemployment insurance must fall back on welfare relief. But 25 states do not have an AFDC Unemployed Parent (AFDC-UP) program. In these states, families must either rely on low state general relief aid or they must split up, so the mother and children can become eligible for AFDC and Medicaid. Even in those states that do provide AFDC-UP, the program's earnings history requirement makes it particularly hard for young, two-parent families to gain assistance. Most of these parents have been in school or job training programs and therefore lack the prior work experience needed to qualify for benefits. (For further discussion of AFDC, see the Income Support chapter of this book.)

Today, many adult workers are facing the same problems teenagers face in seeking employment: they lack the right training and skills for the jobs that are available. Upheavals in the economy have opened up large gaps between work force abilities and workplace needs. According to the Bureau of Labor Statistics, 11.5 million workers aged 20 or over lost jobs between January 1979 and January 1984, due to a plant relocation, slack work, or the abolishment of a job position.

But for some Americans, even finding a job is no guarantee of earning a living, because their wages are so low that they cannot support their families. Although the government has set a "minimum wage" standard, it has not been increased since 1981, despite the 20 percent increase in the cost of living since then. It remains at $3.35 an hour, or $6,700 per year full-time, far below the amount of money a family with children needs to live on.

In addition, the federal government does not apply even this low "minimum wage" standard to all job categories. Department of Labor statistics show that 7.2 percent or 4.6 million full-time workers reported yearly earnings that were below the minimum wage level. Of the 4.6 million low earners, 4.0 million were white, 470,000 were black, and 260,000 Hispanic. Low earnings tended to be most prevalent among youths. Slightly less than one-third of the young men and women aged 16 to 19 had earnings below $6,700 in 1982. Overall, the incidence of low earnings was much higher for women than for men, 9.9 percent compared to 5.6 percent.

Federal Government Programs Targeted on Unemployment Problems Prove Inadequate

The Job Training Partnership Act (JTPA). In an attempt to "reform" existing federal employment programs for economically disadvantaged adults and youth, Congress enacted the Job Training Partnership Act (JTPA) in 1982. However, JTPA has been funded at a much lower level than its predecessor, the Comprehensive Employment and Training Act (CETA) program. The FY 1985 budget for JTPA is $3.6 billion compared to CETA's budget in FY 1979 of $9.4 billion. The FY 1985 level for JTPA is the same as it was when the law was enacted. Of equal concern, JTPA made several major changes in the way the public employment and training systems deliver services, are held accountable, and think about training disadvantaged youth and AFDC recipients.

The major change was the shift to shared responsibility by the public and private sectors. The Act prohibits the use of public sector job placement, in the hope that the private sector will create long-term employment opportunities. Furthermore, JTPA places less emphasis than CETA did on the need for training stipends, allowances, wages, and supportive services such as child care and transportation. Instead, the primary emphasis and funding are devoted to providing training.

Another major difference is JTPA's focus on performance. While many of CETA's prime sponsors used client performance standards (i.e., a measure of the proportion of clients placed) to evaluate subcontractors, they were not built in systemwide. JTPA, on the other hand, mandates standards for each program's performance in each Service Delivery Area (SDA). Performance criteria for youth and adults have become central factors in program design, selection of target populations, and types of services provided.

Lastly, JTPA has a special focus on youth, because it requires that 40 percent of the Title II-A funds be spent on youth programs.

These programs vary according to the assessment of the local population needs. However, the primary emphasis is on "employability" and employment.

Several studies have found that over the past year and a half these major program changes are either not being implemented or have led to crucial shortcomings in JTPA's ability to effectively counter the unemployment problem. One study found that JTPA's low funding level, its focus on the private sector, and its emphasis on performance standards have hindered the program's impact. The Independent Sector Assessment of JTPA by Grinker, Walker, and Associates found that JTPA provided training resources for only about 4 percent of the individuals eligible nationwide. Its denial of training stipends and public service employment limited the work experience of those served, the study said, and its limit on supportive services made it difficult to help those less likely to gain entrance to the labor market without publicly subsidized assistance. Also, the study found that JTPA's mandate to serve those "most in need" was not supported by either the necessary recources or commitment to essential services. The Private Industry Councils (PICs) did not have much interest or expertise in serving youth or AFDC beneficiaries, and the performance standards reinforced a desire to serve those who could more easily enter the work force.

According to Elton Jolly, executive director of PICs of America, Inc.:

> "These findings make clear that JTPA is not a refinement of CETA but a major policy change which incorporates different goals and different methods -- human service goals and human resources development goals have virtually been eliminated in this program. The nation's community based organizations (CBOs) cannot expect JTPA to lower the rate of youth unemployment among blacks, make AFDC recipients self-sufficient, or reduce the school dropout rate, because the first priority of JTPA is to make the labor market function more efficiently by assuring that employers will have trained workers who will meet their needs. The long-term strategy of improving the employability of high risk youth has been replaced by the short-term need of businesses who want trained workers quickly."

Also, despite its focus on youth, JTPA is only reaching a small fraction of the young people who need it. In some communities, the number of youth needing services is far greater than the number for which the funding provides. In Charlotte, North Carolina, for example, 20,420 youth were reported eligible for JTPA services under Title II-B; only 937 youth were served in FY 1984.

Another study found that the deemphasis on supportive services has also reduced the program's impact. According to a survey done by the National Youth Employment Coalition, the 15 percent limit on supportive services means that many young people with special problems -- the teenage parent, the handicapped youth, the teenager who has had difficulty with drugs or with the law -- cannot be adequately served. In the past 20 years it has been demonstrated that even these severe barriers to employment can be removed if youths receive long-term training and adequate supportive services.

The restriction on JTPA funds for stipends and allowances limits its helpfulness to teenagers who need some form of income support if they are to be able to take advantage of education or training opportunities. The alternative to income support for these young people is to drop out of school and work. In the long run, this is a poor alternative, because there are far fewer opportunities open to school dropouts, and those that are available tend to lack long-term security.

The absence of another crucial supportive service --child care -- further hampers JTPA's ability to help unemployed women. In Chicago, for example, women comprise 92 percent of the eligible population, but receive only 50 percent of the training slots. AFDC recipients, particularly single women with young children, are often unable to enter training programs or to obtain jobs because adequate and affordable child care services are not available. A 1981 report by the Rand Corporation found of the 1.3 million children with teenage mothers, approximately 800,000 were in need of child care. The study further indicated that because many of these teenage parents were unable to obtain child care, they were unable to complete their educations or hold a job and became dependent on public assistance. The U.S. Commission on Civil Rights has noted that the inability to locate affordable child care restricts not only women's employment and training opportunities, but also their ability to participate in federally supported education programs.

Some states have made special efforts to mold the JTPA program so that it serves youth more appropriately. North Carolina is taking advantage of its governor's 8 percent education coordination grant under JTPA by establishing a program to serve youth in and out of school. Youth are provided counseling, remedial education, pre-employment training, and assistance in locating after-school employment. Another component of the program is aimed at school dropouts. An extended school day model allows youth to return to school after the work day. The program includes remedial education, GED preparation, and education for employment. Programs like this have not been replicated in many states.

Other Training Programs: WIN/CWEP. Two other federal employment and training programs that are available to disadvantaged adults and youth receiving public assistance include the Community Work Experience (CWEP) program and the Work Incentive (WIN) program for poor Americans receiving benefits under AFDC. Components of WIN are designed to enable participants to eventually become independent from AFDC. When offered along with appropriate support and protections, WIN has enabled parents to enter the labor force. However, WIN has not received sufficient funding and has not provided enough training opportunities.

CWEP, also known as workfare, has been a more controversial program and reaches relatively few of those who could benefit from the program. The General Accounting Office (GAO) issued a report in April 1984 that examined the implementation of the AFDC-CWEP projects in 16 states. Only 4 states have statewide CWEP programs. In 11 of the 16 states, CWEP programs reach fewer than one-third of the counties. The GAO study found that participation in a state CWEP often depends on local and county interest and that many localities do not volunteer.

Several states have developed good employment and training programs:

- In Massachusetts, the Employment and Training (ET) program "Choices" has been established to provide assessment, counseling, skill training, employment, and supportive services to public assistance recipients. The program is voluntary for mothers with children under six years of age and, because of federal requirements, mandatory for all others. The program has been so popular that as of October 1984, 55 percent of those participating were doing so on a voluntary basis. At that time, the program was serving 11,688 AFDC recipients, with a budget of $50 million for FY 1986.

- In 1983, the Utah State Department of Social Services mandated that Social Service District Offices statewide (14 in all) initiate self-sufficiency programs for AFDC recipients. A major component of this effort included the coordination of existing employment and training resources such as JTPA, WIN, Vocational Rehabilitation, and Adult and Vocational Education and Skills Training. Child care is provided to any participant and continues to be available for four months after a participant is placed in a job. Currently, 51 percent of the 13,000 individuals receiving AFDC benefits are voluntarily participating in the Utah program. Furthermore, any savings incurred in the AFDC program due to recipients being placed in employment are to be transferred into the child care program.

Income Supports for Unemployed Families. A number of programs are designed to provide basic supports for unemployed families, including unemployment insurance, the AFDC Unemployed Parent (AFDC-UP) program, food stamps, and other forms of assistance. We focus here on AFDC-UP, because of its crucial importance to low-income families who do not qualify for unemployment insurance.

States have found that providing AFDC-UP coverage has reduced family breakup and has helped them to address health and other financial problems. Due to the rise in two-parent unemployed families, several states, including Tennessee, are now considering enacting AFDC-UP program legislation. The Tennessee Hunger Coalition reported that 80 percent of all black families in the state with incomes under $4,000 are single-parent households headed by females. Every year thousands of young black men in Tennessee who are unemployed or underemployed and unable to support their families are forced to abandon those families so that their children will need state eligibility criteria for essential supports like Medicaid. Enactment of AFDC-UP could help avoid this tragedy.

CDF Recommendations

Teenagers and families with children need a wide range of services to help them become self-sufficient. These services include basic education, skills training, employment counseling, and access to employment opportunities. Furthermore, many cannot participate in these programs without adequate supportive services including financial assistance, child care, transportation, and health care.

Federal, state, and local employment and training programs must target those individuals most at risk of welfare dependency and high unemployment; develop coordination and links among services, programs, and the participants; and develop a continuum of these services and programs until participants are established in permanent long-range jobs. Once an individual is placed in permanent employment it is important that his or her wages and salaries be adequate to lift the family out of poverty.

A number of provisions in The Children's Survival Bill would begin to improve the employment situation. To promote family stability and address the financial and health needs of unemployed two-parent families, Congress should make the AFDC-Unemployed Parent program mandatory nationwide. To ensure that youth remain in school and complete their high school education, AFDC coverage should be extended for high school students up to age 21.

Federal employment and training programs should step up their efforts to assist teenage parents and other disadvantaged youth to acquire the skills or training they need to secure jobs that will allow them to become self-sufficient. JTPA funds should be increased, and the program should make special efforts to recruit and train adolescent parents and youth from public assistance families. Funding should also be increased for supportive services such as child care and transportation.

The Summer Youth Employment program under JTPA should be designed to combine a youth's basic academic and remedial education activities with work experience. Funding for Job Corps under JTPA should also be increased so that more youth can participate in this program.

Lastly, so that families who are working are guaranteed at least the minimal means to survive, the minimum wage should be increased from $3.35 to $4.00 an hour. This adjustment would reflect the 20 percent increase in inflation that has occurred since the minimum wage was last adjusted in 1981.

President Reagan's Proposals for FY 1986

The President proposes to cut the Job Training Partnership Act by a total of $800 million for FY 1986 to $2.8 billion. This would be accomplished in a number of ways:

- For the second year in a row, the President proposes no increase in the JTPA basic block grant to the states. Given inflation, his proposal to freeze the grant at just under $1.9 billion means that this program -- which presently reaches only 4 to 5 percent of the eligible population -- will serve ever fewer people next year.

- The President proposes to cut the Summer Youth Program, which provided about 768,000 young persons with jobs in the summer of 1984, by nearly 20 percent: from $824.5 million in FY 1985 to $664.5 million in 1986. This would be achieved by a $100 million rescission in appropriated funds for FY 1985 and a cut of $60 million more from the FY 1986 budget. This cut means that some 170,000 fewer youth will be served than would be under current funding levels.

- The President also proposes to abolish the 21-year-old $617 million Job Corps Program. The administration asserts that at $15,000 per person, the program is too expensive. But the Job Corps is not only a job training program, it is also a comprehensive program for economically deprived youth that offers a range of health, basic education, and vocational servies in a residential setting. The program's 35 percent completion rate is indicative of its success with many very troubled youth. The Brookings Institution stated, "Careful studies of the program have usually concluded that its estimated benefits, in higher wages and lower crime, outweigh its costs." Contrast, for example, this $15,000 investment with what it would cost to provide the youth a prison bed throughout adulthood.

- The rest of the JTPA is proosed to be funded as follows: Dislocated Workers at $100 million (which reflects a $120 million cut) and other federally administered programs at $154.8 million (a cut of $38.6 million).

In addition to the JTPA cuts, the administration proposes to eliminate the $267 million Work Incentive (WIN) program that provides essential job counseling, training, placement, and support services like child care for recipients of AFDC who are struggling to find permanent employment. Despite the administration's emphasis on putting AFDC recipients to work, it wants to eliminate one of the few job training programs now open to these individuals. Congress has rejected this proposal repeatedly.

Finally, the President would establish a subminimum wage of $2.50 per hour (75 percent of the current minimum wage) for summer jobs for youth under age 20. Congress has also previously rejected this proposal, because it would fail to provide youth with adequate wages to help support themselves. There is no proof that enactment of a subminimum wage would lead to a net increase in the number of jobs, but it would erode the foundation of a minimum wage for all workers. In effect, the administration is asking each working teen to contribute 85 cents per hour in the hope that additional teens will be employed, a gesture which amounts to an unfair tax on teenage youth.

EMPLOYMENT: FUNDING AND BUDGET REQUESTS FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
CETA	7,143.0	3,567.0	3,023.2	0	3,789.3	--	--	--	--	--
Summer Youth	900.0		720.6							
Public Service Employment (IID)	2,195.0	0	100.0	--	--	--	--	--	--	--
JTPA	--	--	--	2,387.0	3,990.4[a]	3,643.3	3,605.2	3,610.6	3,513.6	2,805.5
Basic Block Grant to States	--	--	--	--	--	--	1,886.2	1,886.2	1,886.2	1,886.2
Summer Youth	--	--	--	724.5	824.2[a]	724.5	724.5	637.5	824.5[a]	664.5[b]
Job Corps	--	--	--	--	--	--	599.2	600.0	617.0	0
WIN	365.0	--	268.6	11.4	267.0	0	271.0	0	266.8	0

[a] Includes supplemental appropriation.

[b] Includes $100 million rescission proposed for FY 1985.

12. Abused and Neglected Children and Others with Special Needs

Patty Morris, aged 24, lives with her four young children in a housing project in the center of a midwestern city. One winter an anonymous call alerted protective service agency staff that two of these young children were wandering outside, in subfreezing weather, wearing only their underwear. The agency staff responded by looking after the children.

An intake worker spoke with Mrs. Morris when she returned home, and learned that Mrs. Morris had left her son to mind the younger children so she could walk several miles to find work. Mrs. Morris had been unemployed for several months. Her most recent AFDC check had been stolen from the project mail box and she was without food or money, even for bus fare. The children's father had left when their youngest child was born, and Mrs. Morris knew almost no one in the project where she had lived for a few months.

The family services worker took over responsibility for the case, providing immediate emergency assistance of food, clothing, and a small amount of cash. Over the next few months, an aide and a family service worker assisted Mrs. Morris to secure a part-time job with the cleaning company and in arranging day care for her youngest children. Mrs. Morris was encouraged to join with other young mothers in a parent support group at a neighborhood church. The family service worker assisted in developing a plan for helping the oldest boy catch up in school and to help improve Mrs. Morris's reading and writing skills.

Because Mrs. Morris began to show more confidence in her ability to deal with her daily struggles, the case was closed after six months. Mrs. Morris stayed in her support groups for several more months and the entire family is doing better.

An estimated 1.5 million children were reported abused and neglected in 1983. This is an increase of 200,000 children, or 15 percent from the year before. Forty-five states indicated increases in child abuse reports in 1983 and this number continues to rise in many states. In particular, reports of sexual abuse and severe physical abuse have increased dramatically. Exact figures on child abuse and neglect are impossible to obtain, because both underreporting and over-reporting of the problem are common. But we believe that these figures are good benchmarks of the scope of the current crisis and the resulting demands on child welfare services agencies across the country.

More and More Children Require Services from an Already Overburdened System

The average age of these abused and neglected children is seven years, although 24 percent of them are 12 to 17 years old, according to 1982 figures. Sixty-five percent of the children are white. Forty-three percent are from female-headed, single-parent families. The highest number of children, at least 62 percent, are deprived or neglected, conditions that are often linked to parental unemployment.

Almost half of the families reported were perceived as having economic problems or problems with physical living conditions that produced stress in the families. Because families subjected to economic stress appear to be at risk for child abuse and neglect, recent data on the large number of children in poverty and living in unemployed families are especially alarming.

The future costs of not adequately meeting these children's needs are high. Mistreated children often end up as truants, runaways, or delinquents. Many prison inmates and residents of state mental hospitals originally suffered from abuse and neglect. The costs of abuse and neglect to society increase as the problems intensify.

The present social service system designed to help prevent these problems is already stretched to its limit. It must meet the needs of the families that are together, and serve at least 300,000 more children in foster family homes, group homes, and child care institutions. The system must help over 50,000 children find permanent adoptive families.

Many of these children have mental, physical, and emotional problems that require special care. Yet, due to the tremendous pressure on the existing service system, they rarely receive the help they need. Conservative estimates suggest that two out of three seriously disturbed children and adolescents never receive appropriate services. Children in state custody are even less likely to be served. Too frequently, disturbed youth fall between the cracks of the mental health, child welfare, juvenile justice, and special education systems.

Models exist for effective programs to support and hold together troubled families, to help them through crises, and to serve the special needs of their children, but, over the past several years, whatever resources were available for services had to be directed to the crises of the moment, not to developing programs based on the models. This insufficiency of funding and resources has had disturbing results.

The Overwhelming Demand for Services. Escalating reports of abuse and neglect have resulted in increased demands on child protective service agencies. Nationwide, reports of abuse and neglect increased significantly between 1982 and 1983. States and cities have also cited increases in the past several years, especially in reports of sexual abuse and other severe abuses.

- In Oregon there was a 31 percent increase in valid reports, from 2,817 to 3,697, between 1981 and 1982, and an 8 percent increase, from 3,697 to 4,005, between 1982 and 1983.
- Child abuse and neglect referrals to the San Francisco Children's Emergency Services at the Department of Social Services have increased over 200 percent since 1981.
- The number of children referred for protective services increased an average of 41 percent in Wisconsin counties from 1983 to 1984, and is expected to continue to increase in 1985. Milwaukee officials conservatively expect a 79 percent increase in child abuse and neglect referrals in 1985.
- Vermont experienced a 76 percent increase in the number of suspected abuse and neglect reports between 1982 and 1983; receiving and investigating 1,865 reports in 1983. Approximately 50 percent of the reported cases, involving 1,219 children, were confirmed, an increase of 70 percent over the previous year. Increases in physical abuse, both major and minor, exceeded 100 percent.

- A number of states, including California, New York, New Jersey, Maryland, Maine, and Florida, have also been alarmed by the escalating reports of abuse and neglect in child care centers and various residential care settings including foster homes.

There is no single reason for these increases in reports of abuse and neglect. Some experts say that increased public awareness of the problem, particularly sexual abuse, has increased the number of reports. Many say that a distressed economy, increased unemployment, and the stress these conditions cause, are among the reasons for the climbing statistics. Cuts in preventive social services like school counseling and community mental health centers have contributed to the increase. As more families have to rely on public support, their problems come to the attention of public social service agencies.

Whatever the reasons, the increase in reports has strained many child protective service divisions and child welfare agencies beyond their limits.

Limited Resources Provoke Arbitrary Responses. Increased demand has forced some offices with insufficient resources to make arbitrary choices about which children and families to serve. For example, the American Humane Association, in its recent analysis of national trends in child abuse and neglect, expressed concern that some child protective services systems are now screening out "less serious" neglect cases and cases involving older children. The National Committee for Prevention of Child Abuse reported that some agency offices had refused to investigate reports involving children over age 12, presumably because they believed these children were less vulnerable.

Although there are merits to screening cases and setting priorities, the manner in which such screening is done is critical. These decisions must be made in a systematic way, rather than on the basis of individual workers' caseloads or across-the-board exclusions of certain subgroups, like adolescents. Ad hoc screening decisions are of particular concern because an increasing number of abuse and neglect cases are coming from families under stress. In these cases, even if abuse or neglect cannot be substantiated, social service workers can help the family address its needs and prevent future abuse.

Limited Services and Staff. Inadequate funding has limited the ability of agencies to meet the increased demands from troubled families. The major federal program for child protective services funding, the Title XX Social Services Block Grant, has dropped $200 million below its 1981 funding level. The state match of funds that used to be required has been eliminated, thus further limiting the sorely needed investment in social services. Although a majority of states have tried to increase funding or transfer federal funds from areas, the need has surpassed the funds available. Other federal programs designed to provide child welfare services -- the Title IV-B Child Welfare Services Program and the Child Abuse and Neglect Prevention and Treatment Program -- have received only limited, insufficient funding increases over the past several years.

Cutbacks in funding severely hinder child welfare workers by placing them in the intolerable position of having to leave vulnerable children at risk of harm.

- The American Humane Association has stated that staff freezes and service cutbacks are major problems confronting child protective service agencies now as the number of abuse and neglect reports is doubling.

- According to a 1983 survey by the National Committee for Prevention of Child Abuse, only two states had been able to increase services and staff in their child protective services programs that year.

- In Oregon, in spite of the significant increase in child abuse and neglect reports, the child protective services staff was reduced and other workers had to be shifted from servicing the agency's ongoing caseload to handling new cases. In Multnomah County, the largest in Oregon, 21 protective service workers are handling about 1,400 phone calls on the 24-hour hot line and opening approximately 300 cases each month.

- In Louisiana, the Division of Children, Youth, and Families, which responds to abuse and neglect reports, has had its staff decreased by approximately 300 in the past four years, in part as a result of Title XX cuts.

- A state evaluation of Wisconsin's child protection system in 1981 reported that caseworkers estimated that one out of three child victims was not provided with adequate or timely protection or treatment services. High caseloads of over 60 child abuse and neglect cases, training cutbacks, and frequent staff turnover were cited as part of the problem.

In Florida, although the number of abuse reports increased from 68,902 to 86,667 between 1981 and 1983, the number of child abuse staff had decreased from 620 to 562. This staff was estimated to be able to investigate only 64 percent of the cases reported statewide. Starting salaries for child abuse investigators in Florida were below those for a meter reader in Jacksonville, a maintenance worker in Miami, and a garbage collector in Dade County. In response to this situation, the governor of Florida has asked the legislature for assistance. In November 1984, he requested 202 new child abuse staff and an additional $2.2 million in salary increases. Even if he receives this, it will provide for only one-third of the needed increase in services.

Crisis Responses at the Expense of Long-Term Prevention. The increase in the caseloads for agencies combined with the limitations on funding have forced some agencies to emphasize short-term action over long-term prevention.

The federal Adoption Assistance and Child Welfare Act (P.L. 96-272) enacted in June 1980, was designed to do three things: to provide assistance to try to keep troubled families together, to place children already in state care with a permanent family (either their own or an adoptive family), and to improve the quality of life for children in foster care. In response to this new law, many states have made significant strides in attempting to ensure regular reviews and good case planning services for children in care. Some states reduced the number of children in foster care by returning children to their home or moving them toward adoption. In some states, intensive family-based service programs were developed as an alternative to out-of-home care.

However, in a number of states, the increases in child abuse and neglect have resulted in more children being put into temporary foster care. This influx, along with fiscal pressures, has hampered permanency planning for children already in foster care and efforts to implement preplacement preventive services, both called for in P.L. 96-272.

From some states there have been reports of children being returned home from care with no special services to assist in the transition. In other states, families considering the adoption of special needs children are concerned that no adoption subsidies will be forthcoming.

- In San Mateo County, California, Children's Services' intake had increased 22 percent between 1982 and 1983, and 39 percent of these cases were due to physical or sexual abuse. The shift in emphasis away from intensive preplacement services then increased the use of foster care: 50 percent more children were admitted to shelter care in the county in 1983 than in 1981.
- In a number of Wisconsin counties, programs designed to show the effectiveness of preventive family-based services as an alternative to foster care had to be reduced or discontinued as dollars were channeled into investigations of escalating reports of child abuse.

An investment in both crisis services and prevention is clearly necessary to meet the needs of troubled families and to prevent greater long-term costs.

Auxiliary Services Are Also Reduced. The number of auxiliary services available to troubled families has also been reduced. In some state courts the rise in abuse cases, particularly sexual abuse, is preventing such matters as termination of parental rights and adoption from coming to the court's attention. Adoption subsidies have also been cut back in some areas. Some states have responded to cuts in Medicaid by reducing coverage of psychiatric services for disturbed children. A survey of 135 federally assisted community mental health centers that assist children and youth reported that the centers had reduced staff and services primarily in the area of prevention.

State and county officials, judges, foster parents, and child advocates have pleaded for a great deal more funds to increase vital services. In a 1984 survey by the American Public Welfare Association, child welfare officials in 21 of the 23 states surveyed expressed such a need.

Training cutbacks have also negatively affected the child welfare and mental health systems' effectiveness in meeting the special needs of children in care and the increasingly troubled youth who are coming for care for the first time. The absence of training is especially serious in light of the system's increasing caseloads, the shifts in staff from funding cutbacks, and the increase in reports about institutional abuse in child care centers. Foster parents also often lack the training to care for children with special needs.

Youth Self-Sufficiency. Many youth are "aging out" of the various child serving systems without achieving self-sufficiency. Far more attention is focused on initial investigations of abuse and neglect than on the problems of youth who are about to leave the child welfare, juvenile justice, and mental health systems. If this neglect continues, these youth will never be able to live independently. Two examples from New York indicate situations occurring nationwide:

- A New York City study found that within one year of leaving foster care, a significant percentage of young girls ended up receiving federal income support through Aid to Families with Dependent Children.
- Another New York study of how children in foster care are prepared for independent living reported that only about one-third seemed well prepared, although progress was being made for another third. The study, conducted by the Citizens Committee for Children of New York also found that there was no comprehensive, coordinated program for helping them learn to be self-sufficient.

Efforts to prepare youth for independent living have been hindered in some states by a 1981 change in the federal law. The law states that a child can only continue in the federally funded foster care program until age 18, or 19 at the latest, if the youth is in school and realistically expected to graduate by that time. Because many foster children who are moved from home to home are also moved from school to school, it is not at all unusual for them to be several years behind their peers in graduating from high school. The law sets an artificial boundary that forces some youngsters out on their own before they are ready.

Federal Funding Shifts Over the Past Four Years

Despite the dramatic rise in reports of abuse and neglect in almost every state, and the corresponding increase in demands on social service and mental health agencies, the Reagan administration has failed to recommend an increased federal investment to deal with this crisis. Congress has recognized the increased demand for services in some cases by funding modest increases in some programs. However, federal programs and funds for children with special needs still fall far short.

The Title XX Social Services Block Grant, the major source of federal funding for child protective services for abused and neglected children, was cut 21 percent in 1981. Although funding was increased $200 million in each of two subsequent fiscal years, the current $2.725 billion funding level is only about $200 million more than the level for the program when it was first funded ten years ago.

The Title IV-B Child Welfare Services Program, which also provides services for these children, has been under attack and substantially underfunded. The program is the linchpin for improvements in states' foster care systems under The Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), a law designed to promote cost-effective, pro-family alternatives to foster care. Although the administration's attempt to repeal P.L. 96-272 failed, these efforts sent a clear message to the states and had a chilling effect on state implementation of the Act. The administration also repeatedly requested funding for the Title IV-B program at a level far below its authorized level of $266 million. For the past two years, Congress has inched up appropriations for the program, bringing it to $200 million in FY 1985 -- only $39 million more than in 1981. But funding levels for foster care and adoption assistance have merely been maintained.

Special programs focusing on the prevention and treatment of child abuse and neglect have recently received slight funding increases, without any help from the Reagan administration. After a four year struggle, the Child Abuse Prevention and Treatment Act was renewed in 1984 for another four years. Funding for the state grant and demonstration programs was increased for the first time since 1981. But the FY 1985 level -- $26 million -- still falls short of the $40 million authorized for the program. In FY 1985, $25 million was also added to the Title XX Social Services Block Grant for training child care staff about abuse and neglect. Two other initiatives, the Family Violence Prevention and Services Program and a program to give states incentives to enact Children's Trust Fund legislation, were enacted but not funded. Funds for child abuse programs in the Department of Defense and the Coast Guard have been increased slightly and are currently $12 million and $600,000 respectively.

A FY 1984 congressional initiative to provide increased and improved coordination of services for seriously emotionally disturbed children and adolescents was more than doubled in FY 1985 to $3.9 million. This was accomplished in spite of the administration's consistent recommendation that no funds be provided for the Child and Adolescent Service System Program (CASSP) or its parent program, the Community Support Program for chronically mentally ill adults. Ten states received funds under the CASSP for FY 1984 and at least 10 additional states are expected to be funded for FY 1985. CASSP funds are targeted for efforts to increase coordination among the various child serving agencies -- child welfare, juvenile justice, mental health, and education -- which often share responsibility for these disturbed youth.

Although funds for the Alcohol, Drug Abuse, and Mental Health Block Grant have been increased slightly over the past several years, they still fall $200 million short of the funding available in 1981. Efforts directed to children and youth have been continually declining. However, the 1984 amendment reauthorizing the Block Grant requires states to target a portion of their allotment on new services for seriously disturbed children and adolescents and other vulnerable groups. This requirement may encourage states to restore or create special initiatives on behalf of children with serious emotional problems and their parents.

CDF Recommendations

An improved economy, significantly reduced unemployment, and restorations in basic family support programs like income assistance, food and nutrition, and health care would go far toward addressing the needs of these children and families. However, the special needs of many of these children will remain. Families will continue to have crises which they cannot meet alone. And many children will find themselves without permanent families.

In order to meet these needs appropriately, resources must be provided to ensure services that will help a family in crisis promptly in its own home, and thus prevent the need for the children to be removed and placed in foster care. To prevent family breakups, a continuum of services must be available to meet the families' varied social, physical, mental, and emotional needs.

Any out-of-home services that are necessary must fully involve the family and be provided in the least restrictive setting appropriate in the child's own community, whenever possible. Resources ranging from nonresidential to residential services should be in place, and the child and family should be able to move from one service to another as their needs change. A case advocate should be provided to help the child and family negotiate the various systems that provide services and to ensure that appropriate services are forthcoming.

As in any system of care, safeguards should be provided to protect the rights of all parties. These should include periodic reviews of the care being received and due process protections, such as a right to participate and a right to be represented when important decisions are made.

Resources must be available to facilitate adoption when it is appropriate. Special efforts are necessary to eliminate the many barriers that impede the adoption of special needs children.

The provisions in Section 1 of The Children's Survival Bill make significant steps toward meeting the needs of these children and their families. The Bill proposes additional resources to implement the child welfare services, foster care, and adoption assistance provisions of the Adoption Assistance and Child Welfare Act; for funding the Title XX Social Services Block Grant at $3.6 billion; and for institution of the CASSP grants in states. These are all positive steps toward these goals.

President Reagan's Proposals for FY 1986

The Reagan administration's FY 1986 budget recommendations affecting children with special needs fail once again to respond to the escalating reports of abuse and neglect and the overwhelming demand for services. By freezing, or in some cases, eliminating key programs, the President is proposing a net reduction in the services available to help these children and their families. Denying aid to abused and neglected children, troubled families, and children with severe emotional handicaps is not a cost-effective strategy; it is one that imposes great harm on some of our nation's truly needy children.

The President proposes to:

- Maintain the Title XX Social Services Block Grant at its FY 1986 authorized level of $2.7 billion, $200 million below its FY 1981 level, and eliminate $25 million specifically targeted on training to respond to increasing reports of child abuse. Reports of child abuse and neglect have increased over 120 percent since 1976 when Title XX was first enacted, yet the President has proposed funding for Title XX, the major source of federal funding for staff and services to respond to these reports, at a level only 8 percent above its 1975 level. In spite of the administration's own concern about increasing reports of abuses in child care centers and other residential programs, it has also recommended eliminating the funds added last year to train staff of these centers concerning child abuse.
- Maintain the Child Welfare Services Program and Child Welfare Training Program at $200 million and $4 million respectively, and cut the Federal Foster Care Program by 6 percent. The Child Welfare Service's Program provides essential services to abused and neglected children but is frequently ignored. The administration has also proposed a $32 million reduction in federal foster care funds at the same time that increases in abuse and neglect are resulting in more children in care. It is particularly

dangerous because the budget includes no increased dollars for the development of alternatives to foster care. he administration also proposes a 25 percent reduction in the Child Welfare Research and Demonstration Program. Although it argues that this is consistent with its priority to target funds for service programs, it has failed to redirect any of the research funds to the Child Welfare Services Program.

- Cut by 15 percent the combined funding for the Child Abuse and Neglect State Grants and Discretionary Programs and provide no funding for both the recently enacted Family Violence Prevention and Services Program and the federal program to provide grants to states to encourage the development of Children's Trust Funds. The Discretionary Program is to be cut by $7 million (41 percent) and to be offset only somewhat by a $3 million increase in the state grants. The two new programs proposed to be eliminated entirely are expected to be funded for FY 1985 in the 1985 Supplemental Appropriations Bill. All of these cuts ignore Congress's recognition last year, in the Child Abuse Prevention and Treatment Act and other initiatives, that funding for prevention and treatment of child abuse and neglect should be increased. These proposed cuts are especially problematic in view of the additional regulations enacted last year for requiring protective services departments to protect disabled infants who suffer from life threatening conditions.

- Eliminate funding for the Child and Adolescent Service System Program (CASSP), and freeze the Alcohol, Drug Abuse, and Mental Health Block Grant at $490 million, its FY 1985 level. Although 2 million seriously emotionally disturbed youth fail to receive the services they need, the administration would eliminate the small $3.9 million CASSP targeted on improving interagency coordination on behalf of these youth. The freeze on funding for the Alcohol, Drug Abuse, and Mental Health Block Grant will also cut back on the services and staff available in community mental health centers to meet the needs of these youth.

- Increase funding for the Adoption Assistance Program by 20 percent, but cut in half the $2 million Adoption Opportunities Program. Consistent with its initiative to encourage the adoption of special needs children, the administration has increased the federal Adoption Assistance Program from $35 million to $42 million for adoption subsidies. At the same time, however, the budget calls for reduced funding for the Adoption Opportunities Program, which has provided support to adoptive parent groups and others to undertake outreach efforts on behalf of special needs children. The proposed caps on funding for the Child Welfare Services Program and the Social Services Block Grant will also impede the ability of public agencies to carry out the President's initiative.

CHILDREN WITH SPECIAL NEEDS: FUNDING AND BUDGET REQUESTS FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
SSBG/Title XX	2,991.8	--[a]	2,460.0	1,974.1	2,456.0	2,560.0	2,700.0	2,700.0	2,725.0	2,700.0
Child Welfare Services	163.0	--[a]	156.3	--[d]	156.3	156.0	165.0	169.0	200.0	200.0
Child Welfare Training	5.2	--[a]	3.8	--[d]	3.8	--[f]	2.6	--[h]	3.8	3.8
Child Welfare Research	11.0	--[b]	11.0	--[e]	10.3	--[g]	9.5	--[i]	12.0	8.4
Foster Care	327.8	--[a]	321.6	--[d]	395.0	440.0	470.5	460.0	517.2	485.0
Adoption Assistance	5.0	--[a]	5.0	--[d]	5.0	5.0	5.0	13.0	35.4	41.9
Adoption Opportunities	5.0	--[b]	1.9	--[e]	1.9	--[g]	1.9	--[i]	2.0	1.4
Child Abuse State Grants	6.9	--[a]	6.7	4.6	6.7	6.7	6.7	7.0	9.0	12.0
Child Abuse Discretionary Grants	16.1	--[b]	9.5	--[e]	9.5	--[g]	9.5	--[i]	17.0	10.0
Child and Adolescent Service System Program							1.5	0	3.9	0
Alcohol, Drug Abuse, and Mental Health Block Grant	691.0	--[c]	428.0	432.0	439.0	439.0	462.0	472.3	490.0	490.0

[a] Proposed to consolidate in a $3.8 billion Social Services Block Grant for FY 1982; this is 25 percent below the FY 1981 funding level for the programs proposed to be included in the block grant.

[b] Proposed to consolidate in a $63 million social services discretionary pot for FY 1982; this is $23 million, or 27 percent, below the FY 1981 funding level for the programs proposed to be consolidated.

[c] The programs eventually included in the Alcohol, Drug Abuse, and Mental Health Block Grant were originally proposed for inclusion in the Health Services Block Grant, to be funded at $1.1 billion for FY 1982.

[d] Proposed to consolidate in a Child Welfare Block Grant for FY 1983, with a 23 percent cut in funding from FY 1982.

[e] Proposed to consolidate in a $31 million pot for human resources research and demonstration activities, with funding to be at the same level as in FY 1982.

[f] Proposed to combine with Child Welfare Services for FY 1984, with funding to be cut by 2.4 percent from FY 1983 levels.

[g] proposed to consolidate in a $9 million pot for human resources research and demonstration activities, with funding $13 million, or 59 percent, below the FY 1983 funding level for the programs to be consolidated.

[h] Proposed to combine with Child Welfare Services, with funding to remain at the same level as in FY 1984.

[i] Proposed to be consolidated in a $4 million human resources research and development pot for FY 1985, with funding $17 million, or 81 percent, below the FY 1984 funding level for the programs to be consolidated.

13. Runaway Youth and Others in the Juvenile Justice System

Susan Jones is 15 years old and has been living on the streets of a west coast city for nearly two years. She ran away from home because her new stepfather repeatedly threatened her sexually. He was also physically abusing Susan's mother. When Susan finally summed up enough courage to tell her mother about the stepfather's sexual advances, her mother became angry, slapped Susan, and told her "to leave her man alone." Susan ran away to live with her older, married sister, but the apartment was too small and Susan's mother became even more upset with her. Then Susan was placed in a group home by the county social services agency until a foster family could be found for her. After six weeks in the group home, Susan was scared that she would be sent home to her mother and stepfather, so she ran away again.

Susan has not been in school for over a year and she barely reads and writes at a sixth grade level. She looks older than 15 because street life has been hard on her.

Susan has the same hopes and dreams that many 15 year olds have: she thinks about college, a job, a house, and a family. She may realize some of them, because after trying several shelters, Susan was fortunate to find a shelter for runaway youth that provided her not only a warm bed but also help in figuring out what she needed to make her life better. The shelter helped her move into a group home in an adjoining county. Susan has lived in that group home nine months and seems to be improving. She is working on her GED and has a part-time job.

* * *

Paul Smith had been labeled a troublemaker since he was 10. He and his family had many problems. His mother was an alcoholic, and his two sisters had both been removed from the home and placed in foster care.

Then, on his fifteenth birthday, Paul was arrested, along with two friends, for breaking and entering. None of the boys had police records. They were thrown in the county jail, pending their court appearance. Paul was bewildered, angry, and scared. Although he was held separately

> from the hardened criminals, he could hear their yells and conversations for the 13 long days he spent there.
>
> Paul was scheduled to go to the Boy's Training School from court, but fortunately he was recommended for a new diversion program in a neighboring county. Paul has been in the program over a year now, and is living with an aunt.
>
> At first, Paul tried to run away, but he's doing better. Although he is a year behind in grade placement, he is improving his ability to read and hopes to earn a GED. He participates in group and family counseling, and attends a training program at the county's vocational training school. The program has helped him find his first job.

Susan and Paul are representative of a diverse group of troubled youth. Runaways, other status offenders, and delinquents, because of their association with the juvenile justice system, often receive little support from the systems charged with their responsibility. But these children often have the same needs as other special needs youth for supportive shelter, education, job training, and attention to health problems. Some of them have physical, mental or emotional disabilities; some have limited ability to speak English; others are pregnant or mothers of young children.

At least 1.2 to 1.5 million children and adolescents run away or are left homeless each year. Many of these are youth who are not counted in any official statistics. They may not be reported missing by their parents, nor are many formally arrested or detained.

Approximately 403,000 youth are charged with delinquent offenses or status offenses -- like truancy or running away -- which would not be crimes if they were adults. They are placed in various detention facilities. An additional 57,000 youth end up in juvenile training schools. The vast majority of these are youth charged with nonviolent offenses: a relatively small number of juveniles account for a disproportionately large number of all juvenile arrests for serious crimes.

Each year, as many as 400,000 youth spend a day or two in local jails. An increasing number of troubled youth also end up in mental health facilities or special programs for drug-dependent youth, because more appropriate programs to meet their needs are not available. It is not clear to what extent there is an overlap in any of these numbers, but as youth move from one setting to another their needs intensify.

One group of troubled youth, runaway and homeless children, are a more difficult and troubled group than in the past, according to a study prepared for the federal Department of Health and Human Services(HHS). Over one-third leave home because of physical or sexual abuse and 40 percent experience other family problems. Although about half of the runaways have a realistic prospect for family reunification, only 10 percent of the remainder are ready for independent living.

Increasing numbers of children who are appearing at runaway shelters have come from various child welfare or mental health programs where their needs were not met. Shelters are also seeing more "pushouts" or "throwaway children." These are children whose families have forced them to run, and for whom family reunification may be neither possible nor desirable. They need help in their efforts to live independently. A study of youth in New York shelters reported that between one- and two-thirds of the youth felt they had no home to which they could return.

The same survey found that mental health problems were present in between 70 to 90 percent of the youths sampled. No fewer than one-third of the girls and one-sixth of the boys in the shelters had previously attempted suicide.

Increasing concern has also been expressed about the mental health needs of juveniles in various detention facilities. It has been estimated, for example, that the suicide rate for youth held in adult jails -- 12 out of 100,000 -- is nine times the rate of juvenile suicides in secure juvenile detention facilities.

Progress Made Under the Juvenile Justice and Delinquency Prevention Act

Over the past decade, federal attention to the needs of these youth has been embodied in the 1974 Juvenile Justice and Delinquency Prevention Act, Title III of which is the Runaway and Homeless Youth Act. The Prevention Act provides federal leadership, assistance, and funding to help address problems in juvenile justice systems across the country. It emphasizes the removal of status offenders from secure detention facilities like jails and detention centers. It also requires the separation of juveniles from adults in lock-ups and jails and their eventual removal from adult facilities altogether. The Act was intended to stimulate new techniques, diversion, and development and implementation of cost-effective alternatives to traditional treatment.

The Runaway and Homeless Youth Act authorizes funds for community-based programs outside of the law enforcement and juvenile justice systems. These programs serve the needs of runaways under 18, about half of whom can go back home. However, these programs are increasingly serving youth for whom new long-term arrangements must be made.

Over the past decade, these Acts have encouraged states to make substantial progress in meeting the needs of troubled youth. For example, the majority of the 47 states claiming compliance with the Juvenile Justice and Delinquency Prevention Act have made significant gains in removing runaways and other status offenders from secure facilities. The estimated number of status offenders in secure facilities has declined from 200,000 in 1979 to 25,000 in 1984. Many states have also been working to develop alternatives to adult jails for juvenile offenders. Although some progress has been made, it appears that a majority of the states still hold some young people in adult facilities.

Examples from individual states demonstrate the Act's impact:

- In Pennsylvania, the Act has been credited with having reduced referrals to delinquency courts and consequently referrals to state-run training schools. In 1975 the state had a 1,152 bed capacity; today they house only 356 youth, and at a significant cost savings given that the daily per child rate in training schools is from $100 to $238 per day. There has also been a 50 percent decline in the use of secure detention. Some of these youth have been diverted to programs outside the juvenile justice system; others are in alternative community-based juvenile programs. Further, there are no juveniles legally staying in county jails or prisons in Pennsylvania at this time, which contrasts sharply with 1975 when there were 400 juveniles in the adult prisons and 3,300 in the state's county jails.

The Act's emphasis on the diversion of status offenders from the juvenile justice system has also contributed to a decline in juvenile arrests from almost half of total arrests in 1974 to less than one-third in 1983. It has been recognized that the problems of many youth are better addressed through services than through the adult law enforcement system.

- In California, the juvenile arrest rate dropped 41.2 percent between 1974 and 1983 and the actual number of juvenile arrests dropped 46.3 percent. Arrest rates for status offenders declined 77.2 percent, but arrests for felony offenses also declined just over 42 percent.

The Runaway and Homeless Youth Act also stimulated the development of essential services for youth outside of the juvenile justice system:

- The 228 centers funded under the Act in FY 1983 provided ongoing crisis intervention and shelter services or counseling and referral services to approximately 200,000 youth, 50 percent of whom were reunited eventually with their families. The National Runaway Switchboard provided crisis intervention services to approximately 200,000 runaway and homeless youth and their families.

The Act has also encouraged significant networking among the various federally funded centers. Two-hundred and sixty-five centers are being funded for FY 1985.

Existing Programs Are Not Keeping Up with Growing Needs

There is a sad irony to the fact that the Reagan administration has used the progress achieved by these programs as the basis for its recommendations over the past four years that they be eliminated or minimally maintained. The administration also argues that because most runaway and homeless youth live in the areas in which they receive services, their needs should be served primarily by state and local resources. Such assertions blatantly ignore serious concerns raised by program operators, youth advocates, and state officials.

Community-based resources fall far short of meeting the need. The programs set up to deal with the problems of troubled youth are not reaching the majority of the children who need them. Even using conservative estimates, fewer than 20 percent of the runaway and homeless youth in this country are being served by programs funded under the Runaway and Homeless Youth Act. A 1983 program inspection by the Office of the Inspector General in the federal Department of Health and Human Services reported that of the runaway youth counted that year, federal shelters served no more than one in three and sheltered no more than one in 12. The review put shelter and crisis intervention at the top of the list of unmet needs for the runaway population.

The Inspector General's Report should have put to rest the concern, expressed by some, that shelters encourage running. In fact, the study found that these youth, like Susan, are often running from something such as physical or sexual abuse at home, school failure, or dysfunctional family life, rather than running to something. The sophisticated crisis, housing, and treatment services offered by many of the shelters represent an essential component of the multiple services needed by these youth.

Existing programs, however, cannot come close to meeting the demand. The majority of the 265 community-based programs funded by the federal program have eight or fewer beds per shelter. Preliminary findings from a 1985 national survey conducted by the National Network of Runaway and Youth Services shows that shelters in many states are regularly filled to capacity and often have to turn youth away. One shelter in Arizona, for example, had to turn away 1,600 young people during 1984. Programs in New Jersey, Oklahoma, Virginia, Florida, Iowa, Maryland, Wyoming, and Pennsylvania reported the same problem. Particularly in large cities where winter weather is severe, youth workers struggle to find warm, safe places where the "turn-aways" can stay.

A recent review by the General Accounting Office (GAO) documented the inadequate numbers of community-based programs that could provide alternatives to secure institutional care for delinquents and state offenders. Over half of the 37 state agencies responding to GAO's survey cited the need for more alternatives to incarceration; all agreed to the need for a continued or expanded federal role. All states cited scarcity of funding and community resistance as major barriers to developing community-based facilities. GAO reported that in Texas, for example, 85 percent of the state's 136 county departments do not have community-based alternatives to incarceration.

There is evidence that community-based alternatives not only better meet the needs of youthful offenders, but also prove to be more cost-effective:

- The American Justice Institute estimates that jailing a juvenile without any necessary services costs $24 per day; placement in a secure juvenile detention facility with full services costs $61 per day. Group home alternatives and in-home detention programs cost on average approximately $17 and $14 per day, respectively.
- Project New Pride, a specially designed intensive and comprehensive, community-based treatement program for serious offenders costs an average of $6,000 per child per year. This is more cost-effective than incarceration which costs from $24,000 to $43,000 per child per year.
- The Community Intensive Treatment for Youth (CITY) program in Alabama is another successful model. It is a nonresidential program for youth, the majority of whom have convictions for felonies or misdemeanors. It has helped many of these youngsters, resulting in an 85 percent reduction in the commitment of youth to the Alabama Department of Youth Services. In one county for which cost data were available, this reduction in commitments, when contrasted with the cost of the program, represented a 55 percent reduction in cost over a three-year period: a savings of $1.2 million to that county alone.

These and other programs across the country also represent long-range savings because helping these youth reduces recidivism, increases their success in education, and improves their employment opportunities.

Services are inadequate to meet the complex needs of troubled youth. Today, the Juvenile Justice and Runaway Youth Programs do not have enough funding to meet the increasingly complex needs of the youth they seek to serve. A 1983 GAO study of the delivery of services under the National Runaway and Homeless Youth Program documented a need for increased after-care services, more outreach to youth on the street, and greater attention to developing youths' coping and living skills.

To meet a small portion of this need, over 100 shelters funded under the federal program were given "strengthening" grants in these areas for FY 1983. Even though overall funding for the Act remained constant in FY 1984, many of the grantees suffered significant setbacks when their special grants for these services were not continued. Individual programs in Michigan and California, for example, experienced cuts of 25 percent and higher. Such reductions affected the quality of service provided. A Pennsylvania program that had opened a group home to provide longer term services for some homeless youth had to close it. In North Dakota, a program had to discontinue its drop-in counseling center.

Without additional funding, many shelters will not be able to serve the more diverse, disturbed, and needy group of adolescents who have "fallen through the cracks" of other social service systems and have little realistic chance of returning home. Youth service providers in such states as Minnesota, New York, Utah, Tennessee, and Louisiana report seeing greater numbers of these youth.

Shelter operators need increased access to services for physically and sexually abused youth and for youth with serious emotional problems. They must also be able to obtain adequate care for pregnant adolescents. Although programs for runaways generally do not attempt to serve emotionally disturbed, drug addicted, violent, or suicidal youth, they need to be able to recognize these problems and make appropriate referrals.

The older "pushouts", children forced out of their homes, usually cannot return home. These children need not only educational support, job training, and skill development for independent living, but this preparation takes time. Some programs report that the Runaway Youth Act's restriction on eligibility to youth under 18 and the two-week limit on residence in shelters severely hinders them. Other programs also limit their help to a short-term crisis period. Among the twelve states surveyed by the Inspector General's Office, the greatest unmet need was for longer term placements to prepare these youth for independent living.

The current uncertainties about continued federal funding further complicate the prospects for youth in the juvenile justice system. The development of specialized services for multiple-problem youth requires the coordination and cooperation of several child-serving systems both at the system and program levels. Without such coordination, an array of services cannot be developed, nor can gaps in service be identified. Yet diverse agencies are especially reluctant to undertake coordinated programming if funding is uncertain.

A Reduced Federal Commitment Will Impede State Progress. States that have successfully implemented the Juvenile Justice and Delinquency Prevention Act argue that a continued federal role is essential so that their successes can be extended and techniques transferred to other good programs. It is believed that progress achieved to date will only be maintained if federal funding and leadership continues and expands. In a recent review of compliance with the Act, the General Accounting Office reported that virtually all of the state agency officials, criminal justice council directors, and juvenile court judges surveyed urged a continued and expanded federal role on behalf of troubled youth.

The Reagan administration has also argued against a stronger federal role under the Runaway and Homeless Youth Act, claiming that the problems of runaways are local and state problems. This argument ignores the fact that runaway youth often cross state or county lines in their travels. In doing so, many lose their eligibility for a variety of social services or law enforcement protection. Advocates and providers believe that the federal support of the Act helps guarantee that these "interstate" youth will receive the services they need.

Federal Funding Shifts Over the Past Four Years

In justice andrunaway and homeless youth programs, the Reagan administration has turned its back on these troubled youth over the past four years.

It has repeatedly requested zero funding for the Juvenile Justice and Delinquency Prevention Program. The program's strong bipartisan support in Congress however, has resulted in an annual appropriation each year of $70 million. Congress reauthorized the Juvenile Justice and Delinquency Prevention Act in 1984 for four more years.

Although the administration has failed to repeal the juvenile justice program through legislation, it has tried to undermine it administratively. Critics charge that the administration is attempting to substitute its philosophy of apprehension and punishment of juvenile offenders for a preventive approach to delinquency. To counteract this approach, Congress took firm steps last year to increase its oversight of the leadership of the Office of Juvenile Justice and Delinquency Prevention (OJJDP), the office responsible for administering the program. Congress also rejected a proposal to severely downgrade the program and imposed stricter regulation of OJJDP's grant-making process. Congress also reaffirmed the intent of the Act to focus on prevention and rehabilitation rather than punishment and prosecution. It required an audit of state systems required to monitor compliance with the deinstitutionalization, separation, and jail removal requirements in the Act.

After an unsuccessful attempt for FY 1982 to include the Runaway and Homeless Youth Program in the Social Services Block Grant, the administration has consistently requested funding for the program at about one-half of the previous year's funding level. Congress, however, doubled funding for the program in FY 1983.

For FY 1984 and again in FY 1985, the program has been funded at $23.25 million. However, for FY 1984, only approximately $18 million of this amount was used by the administration for grants to runaway centers. For FY 1985, 40 new centers have been funded, with total funding at the FY 1984 level. Continued monitoring of the program is necessary to ensure that the quality of federally funded shelters is maintained as funds are stretched to start more shelters.

CDF Recommendations

The public policy choice about troubled children like Susan and Paul is not whether to make an investment on their behalf, but how and when to make the best investment. These youth will cost the state and federal government money in one way or another. If their needs are not met by the child welfare or juvenile justice systems, they will become the fiscal responsibility of other systems, like the adult mental health or criminal justice systems. Some may require costly long-term institutional care throughout their live.

It is important to invest early on behalf of these youth. Too frequently children like them are victims of inadequate health care, income support, and education. We will see fewer troubled children when this country provides adequate income support and health care to all families, and implements an educational program designed to meet the varied and multiple needs of all our youth. The provisions in the Children's Survival Bill directed to increasing income support for poor families, improving opportunities for self-sufficiency, and providing more responsive educational programs for disadvantaged youth continue to move us closer to this goal.

We must, however, also continue to work to put in place a comprehensive array of services that address a child's special physical, mental, emotional and social needs. In doing this, attention and resources must be directed to some of the potentially negative side effects of the deinstitutionalization of status offenders and the removal of youth from adult jails. Too often, the alternative services intended for these youth are not available. Too often they risk being routed to facilities and programs that do not meet their needs appropriately such as institutions for the mentally ill or drug dependency units.

A continuum of care should be established that includes preventive and early intervention services as well as a range of nonresidential and residential services designed for children and youth of various ages with different needs. Children should be able to move from one service to another as their needs change. Services should be delivered within the child's home and community wherever possible, and within the least restrictive setting appropriate to the child's needs.

Systems must be in place to protect adequately the rights of youth being served: their care should be reviewed periodically and systems established for resolving grievances regarding the quality of care. When appropriate, parents and families should be involved in all aspects of service delivery. The various child serving agencies -- child welfare, juvenile justice, health, and mental health agencies -- must coordinate their services.

A continued and increased investment in the Juvenile Justice and Delinquency Prevention Act, the Runaway and Homeless Youth Act and the Adoption Assistance and Child Welfare Act, as described in the Children's Survival Bill, is necessary to maintain a framework for services for these youth and to increase community-based alternatives for meeting their needs. Increased funding of the Social Services Block Grant, the Child Abuse Prevention and Treatment Act, and the Child and Adolescent Service System Program, also proposed in the Children's Survival Bill, will allow the development of targeted service programs and demonstrations to better meet the needs of troubled youth who have been abused, or neglected, or hindered by serious emotional problems.

President Reagan's Proposals for FY 1986

The Reagan administration's FY 1986 budget once again ignores hundreds of thousands of troubled youth in this country. For the fifth year in a row, the administration has recommended zero funding for the Juvenile Justice and Delinquency Prevention Program. For the past four fiscal years, Congress has funded this program at $70 million. It is a cruel irony that the Justice Department's budget, which has grown 62 percent since 1981, and which is ostensibly dedicated to an "all-out fight against crime" has cut off this program which could reduce future crime-related expenditures. Without a continued federal commitment of dollars, states will not have the incentive to develop a range of community-based services appropriate to meet the needs of status offenders or youth charged with delinquent offenses or violent crimes.

The administration would also freeze the Runaway and Homeless Youth Act at its FY 1985 funding level of $23.25 million. The administration claims that it can hold funding even and still increase the number of programs available to serve the growing numbers of troubled youth. The Department of Health and Human Services proposes to fund 275 centers in FY 1986, with the same level of funding used for almost 40 fewer centers in FY 1984.

The administration also recommends the elimination of the Child and Adolescent Service System Program which is designed to improve interagency coordination on behalf of severely emotionally disturbed youth in the juvenile justice, child welfare, and mental health systems. The budget proposals also include reduced funding for the federal foster care program and child abuse prevention demonstration programs, and only FY 1985 level funding for the Title XX Social Services Block Grant and the Child Welfare Services Program, all programs that can provide help to these troubled youth.

RUNAWAY YOUTH AND OTHERS IN THE JUVENILE JUSTICE SYSTEM: FUNDING AND BUDGET REQUESTS FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
Runaway Youth	11.0	--[a]	10.5	6.6	21.5	10.5	23.2	10.5	23.2	23.2
Juvenile Delinquency Prevention	100.0	0	70.0	0	73.0	0	70.5	0	70.2	0

[a] Proposed to consolidate in a $3.8 billion Social Services Block Grant for FY 1982; this is 25 percent below the FY 1981 funding level for the programs proposed to be included in the block grant.

14. Child Care

> Esperanza Torres was replying on government income support to help meet her needs and those of her three children in 1983, because her husband had left them and was not providing child support. Esperanza wanted to be able to provide for herself and her children on her own, so she enrolled in a cosmetology training program in her city, Cleveland.
>
> Going to school meant that she had to find child care for her two young boys, then aged three and five. She called the Department of Human Services to find out what to do, and eventually enrolled them in the West Side Community Day Care Center. Because she was receiving income support, the Center covered the cost of care for her children through federal Title XX funding. Her boys were happy at the Center and she took them there regularly during the next nine months while she continued her studies.
>
> Today, Esperanza Torres is a beautician. Although she earns less than $6,000 a year, she is making her own living and is proud of it. She still receives some Title XX support for child care, which enables her to work. "Thank God for child care," she says.

Mothers of young children have entered the labor force in record numbers during the past decade. Fifty-two percent of women with children under six were working in March 1984. Almost 50 percent of women with infants and toddlers under three were in the labor force, then, an increase of almost 30 percent from 1970. This massive demographic change has posed a new child care challenge.

Today, national attention is being focused on this challenge, in part because reports of child abuse occurring in the child care system have awakened broader concern about the adequacy of care. A majority of American families are now wrestling with this dilemma: how can they find affordable, quality care for their children?

But policy makers for the most part have failed to address this need. The government has not provided the resources to improve the quality of child care for all American families including those with low- and moderate-incomes. Government inaction has helped to create a large vacuum of responsibility for coping with the complex problems of child care.

For most of these mothers, child care is a necessity. They are working to support themselves and their children. Two-thirds of the women who worked in 1983 were single, separated, widowed, divorced or had husbands who earned less than $15,000 a year. Women are also essential providers of family income in households with two wage earners. Twenty-five percent of the women who worked in 1983 had husbands who earned less than $10,000. More than 50 percent had husbands who earned less than $20,000.

Single parents often need the most help meeting child care costs. Today, one in five children is growing up in a one-parent family, a proportion that will grow to one in four children by 1990. Forty-four percent of all black children live with only their mothers. In 1982, the average single mother earned less than $9,000, and would have had to pay one-third of her income--$3,000--to purchase center-based child care. This is three times the amount -- 10 percent of income -- considered reasonable to pay for child care expenses. Thirty percent of the calls received by Cleveland's Child Care Information and Referral Service in the first half of 1984 were from single mothers. Over 70 percent of these mothers earned less than $10,500 annually.

Low-income families are less able to afford preschool services for their children than their wealthier counterparts. Fifty-three percent of three to four year olds from families with medium or higher incomes attended a preschool program in 1982, while only 29 percent of those in lower-income families did.

Supportive child care arrangements for low-income families would brighten the future for their children. It limits their potential and limits their parents' abilities to enter or stay in the work force. On the other hand, a high-quality preschool experience can enhance both children's success in school and their chances of becoming self-sufficient adults.

Lack of Affordable Child Care Perpetuates Poverty

Lack of affordable child care is also a major factor keeping women and children in poverty. A recent Census Bureau survey found that 45 percent of single mothers who are not in the labor force would work if child care were available at a reasonable cost. The same was true of 36 percent of all mothers (single parents and those in two-parent households) with family incomes under $15,000.

A survey of Maine's families explains why they need child care to move toward self-sufficiency. "Nearly 20 percent of working parents said they would work more hours if adequate affordable child care was available. More than 25 percent of the non-working parents said they would work if such care were available. The survey also found that in nearly 25 percent of all households with a young child, one or more of the adults was forced to quit work, was unable to take a job, or was unable to continue training or education because of lack of child care."

Child care enables many poor families to stay off welfare. California's Child Development Program Advisory Committee asked parents what they would be doing without child care services. The overwhelming reply was "be on welfare."

- "The child care program has saved me and my children. I have five and I am a single parent. Child care has given me the chance to go to school, work part-time and have any hope of getting off of welfare. I feel very supported and encouraged by the program. It is a way to grow out of the hopeless welfare mentality."
- "My alternative is unacceptable, substandard care for my children."

Federal Cutbacks Constrict State Efforts

The states have the primary responsibility for establishing public child care programs. They rely heavily on federal assistance to fund these programs. Over the past four years, however, cutbacks in assistance at the federal level have hampered state programs. Twenty-five states spent less for child care in 1984 than they did in 1981, despite increased need for care and inflation. Twenty-seven states served fewer children in 1984 than they did in 1981.

Impossible policy choices are being dictated as states attempt to stretch inadequate resources to meet the needs of families, children, and caregivers. Fifteen states have not increased reimbursement rates for providers since 1981. Last year, New Mexico tried to help more working families by extending eligibility for child care services to families of four earning up to $17,000 a year. However, the enormous demand for care forced the state to move eligibility back down to cover only those families whose earnings were at or below the poverty level. To serve the additional children, the state held down reimbursement payments to child care providers at 1981 levels of $6.50 a day per child.

As long as child care is inadequately financed, child care workers will continue to receive extremely low wages. Two out of three center-based caregivers earn wages below the poverty level wages, and 87 percent of family day care workers earn below the minimum wage. These low wages exact a high cost from all involved. There is a very high turnover rate among child care workers. Workers in child care centers, nursery schools, Head Start, and all other child care programs except family day care had a 41.7 percent turnover rate in a 12-month period in 1980-81. Although study after study has established that children need to have a stable relationship with someone they know and trust, the constant turnover of day care workers makes this impossible.

Despite the acknowledged importance of training caregivers to ensure quality child care, six states cut spending for training further in 1984. Only three states increased training funds between 1981 and 1984. Of the 24 states that reduced expenditures for training between 1981 and 1983, 22 have done nothing since then to make up the difference.

Reports from around the country reflect a growing child care crisis:

- A report prepared for the governor of Maine by the Child Care Task Force reveals that 500 children age five or younger spent time during a typical week caring for themselves. Another 2,500 children under age three and 1,000 children ages three to five were sometimes left at home alone, with only a neighbor or friend occasionally looking in on them. Almost

25,000 Maine children, ages six through 12, spent an average of more than four hours caring for themselves during a typical week.

- New Mexico is serving approximately 3,700 children, but estimates that more than 50,000 children need child care.
- Cuyahoga County, Ohio, estimates that an additional $8.2 million would be needed to serve the number of families who need assistance with child care. It currently spends $9.1 million a year for child care assistance.
- Georgia's Title XX-funded child care program, which serves approximately 8,200 children, has a waiting list of 5,000 for its funded child care centers. As of 1983, 85,504 of the 163,232 families with children under the age of six living in poverty had working mothers. More than half the counties in the state have no Title XX child care funds.
- In California, a report on school-age child care entitled Who's Watching Our Children? The Latchkey Phenomena, estimates the number of latchkey children to be between a low of 620,000 and a high of 815,000.
- A New York study points to a survey conducted in 1982-83 of parents whose children attend New York City schools. Of the 63,674 families responding, 79 percent expressed a need for an after-school program for their children.
- In Virginia and Minnesota, approximately one-fourth of the school-age children of working parents cared for themselves on a regular basis, according to a study by the Administration for Children, Youth, and Families of the U.S. Department of Health and Human Services.
- In Los Angeles County, California, there is no licensed, regulated child care available for approximately 135,000 children under age five who need child care. Estimates show that more than 300,000 children ages 5 to 14 with employed parent(s) need after-school care.
- Recent data from Massachusett's resource and referral programs suggest that only about one-third of the state's families needing day care are able to find satisfactory, affordable care.

Private Sector Initiatives Are Significant

The large and growing gap between child care services and demand cannot be met by the private sector. Today, only 1,850 of the 6 million employers in the United States provide any child care assistance for their employees. Almost 600 employers sponsor on-site child care centers. Four hundred of these are hospitals, which view child care as an incentive for recruiting nurses. When child care is provided at an on-site center, its costs are often beyond the reach of lower-income employees. About 300 employers help their employees find child care.

For many firms, especially those employing low-skilled workers and those suffering from the effects of the recession, new benefits are among the last issues to be brought to the bargaining table. In fact, 500 of the 1,850 employers who provide child care assistance provide this support through salary reduction plans, which most benefit higher income employees. Families must earn approximately $20,000 to $25,000 to gain any benefit from this approach, while those in the highest tax brackets gain the largest benefit.

"Because there is little demand for unskilled labor, employers of this population have not felt the need to spend resources to provide child care for their employees. Furthermore, 50 percent of American workers are employed by firms with fewer than 100 workers. Small firms usually cannot afford experimentation unless positive outcomes can be reasonably expected," reports Dana E. Friedman in a Center for Public Advocacy Research Study.

Although an expanded private sector role in child care is vital, it must be accompanied by an expanded public role to ensure that millions of lower- and moderate-income Americans can secure adequate child care.

Federal Funding Shifts Over the Past Four Years

Federal programs that assist child care have been cut in the past four years. Title XX, the largest program providing states with federal funds for child care, was cut 21 percent in 1981. It is currently funded at $2.7 billion, $600 million less than if Title XX had not been cut in 1981. Erosion in Title XX funding since it was authorized in 1976 is striking: taking inflation and population growth into account, the federal government would have funded Title XX at $4.9 billion for FY 1984.

The Child Care Food Program (CCFP), currently funded at $392 million, is another key source of federal support for child care. It helps defray the costs of meals provided to children while they are cared for in child care centers or family day care homes. About 70 percent of the children who receive meals under the program are poor. CCFP was cut by 30 percent in FY 1982. Caregivers are limited to serving two meals and one snack to children each day, regardless of how many hours the children are there.

Cuts in other federal programs have also affected the accessibility and quality of child care. The amount of child care costs for which families can be compensated under the AFDC program was reduced from $200 a month in 1980 to $160 a month per child in 1981. Many child care programs lost critical staff when the Public Service Employment component of the Comprehensive Employment and Training Act (CETA) was abolished in 1981.

The Reagan administration has also failed to recognize that staff training is a primary factor related to the quality of child care. It has eliminated the separately funded Title XX training program, attempted to cut Head Start's training funds, and tried to eliminate federal funding for the Child Development Associate Program, a certification program that encourages providers to seek training.

On the positive side, Congress expanded the benefits of the Dependent Care Tax Credit in 1981 for all families and put in place a sliding scale allowing those with lower incomes to claim a credit for a large percentage of their child care expenses. The credit, which cost the government $1.8 billion in 1982, is of limited value to lower income families because it is not refundable if it is larger than the taxes the family owes, and it requires an initial out-of-pocket expense by families.

Congress, in 1984, passed the first child care bill since 1972. The Dependent Care Resource and Referral School-Age Block Grant authorized a modest $20 million a year for two years for states to use as start-up costs for resource and referral, and for school-age child care programs. The bill was passed late in the session after appropriations bills had been approved, so funds have yet to be appropriated.

CDF Recommendations

The federal and state governments must now take the initiative to build a child care system that works. Only adequate funding can ensure that untenable policy choices are not made between quality and quantity of services. All children, regardless of income, should have access to supportive child care arrangements in their important early years.

Continuity of care must be the underlying principle that shapes policy decisions. Children should not be abruptly moved from familiar caregivers and friends because child care assistance disappears when their mothers complete a training program or accepts a small increase in salary.

Choices should not have to be made between providing child care to children from severely troubled families who may be at risk of abuse or neglect and children from low-income working families. Neither should the child care needs of handicapped, Indian, or migrant children fall to the bottom of the priority list.

Community institutions should work together to meet their area's child care demands. Schools should expand before- and after-school programs, lengthen the kindergarten day, offer child care and other services to adolescent parents, and explore the possibility of working with the child care community to serve four year olds.

Employers should help meet the child care challenge. In addition to helping families find and pay for child care, they should institute disability policies that provide for paid leave during pregnancy and after childbirth. Adequate child care leave so that parents can care for their newborn, adopted, or sick children is essential. Local zoning policies should facilitate the development of family day care.

By substantially increasing funds for the Title XX Social Services Block Grant and establishing a child care set-aside, The Children's Survival Bill begins to build the resource base necessary to ensure that the many types of families who need child care can have those needs met.

In an attempt to broaden the base of community institutions offering affordable child care services, The Children's Survival Bill provides incentive funds to facilities ranging from public housing projects and public schools to colleges. This encourages the development of child care services at locations convenient to parents with different needs. The Bill includes additional support to expand and strengthen the network of family day care providers. A loan and grant program will offer new ways to help meet start-up costs for facilities and to support existing programs for renovating facilities and replacing worn-out equipment.

Resource and referral programs should be in place in every community to assist families in finding child care that meets their particular needs and to provide support to the child care system. Families should have a choice among options: friends, relatives, family day care homes, Head Start, centers, or school based programs. However, resources must be available to ensure that each option is a supportive one. Caregivers should be provided with additional training and adequate wages.

The Children's Survival Bill appropriates a modest amount of federal funds for start-up costs for resource and referral programs and doubles the amount of limited federal funds available under the Title XX Social Services Block Grant for training child care workers. It creates a small but important scholarship program for providers seeking to improve their skills by earning a Child Development Associate Certificate. The Bill adds funds to the Child Care Food Program to improve the quality of meals offered to children who spend a major portion of the day in child care.

Child care consumers should be guaranteed a basic level of protection through strong licensing and regulatory policies that include national standards implemented by an adequate number of well-trained staff. The Children's Survival Bill includes incentive funds to encourage states to strengthen their child care standards and to expand and improve their capacity to monitor facilities.

5

President Reagan's Proposals for FY 1986

The administration has proposed further cuts in the major programs that provide direct support for child care to low-income families. The administration's proposals threaten the quality of child care available to all families by:

- Cutting the Title XX Social Services Block Grant by adding new responsibilities without increasing funding.
- Eliminating a $25 million training program for parents, providers, and administrators which includes training in the prevention of child abuse in child care settings.

Under President Reagan's proposal, the responsibilities now carried out under the Community Services Block Grant would be added to those of Title XX without any additional funds. This amounts to a net cut of $368 million in the current combined funding level for both programs. This move will result in the loss of one out of 8 of the Title XX funded child care spots available for children of working mothers.

The President also proposes changes in the Child Care Food Program which would achieve a $110 million cut by:

- Instituting a means test for children in family day care homes who are enrolled in the Child Care Food Program (CCFP). This means test will have an impact beyond the loss of the meal subsidies. Family day care is the largest source of child care in the country, especially for infants and toddlers. Currently, child care food assistance is a major incentive for family day care providers to become licensed or registered with state regulatory agencies. This incentive is crucial to improving the quality of child care. Under CCFP, family providers, many of whom have no special training, receive valuable support through umbrella sponsors, including training and two to three monitoring visits a year. The imposition of a means test will create an enormous administrative burden for these providers and sponsors (among whom there is already a high turnover) and they will more than likely drop out of the Child Care Food Program and leave any licensing or regulatory system.

- Eliminating all federal subsidies for meals for moderate income children. The Child Care Food Program also provides assistance to child care centers. It operates like the School Food Program, providing a sliding scale subsidy based on family income. The effects of the administration's proposal to eliminate all assistance to centers for moderate-income children (those in families of four earning above $20,000 a year) are similar to those described in the child nutrition chapter of this book.

  Child Care Centers rely on a mix of children with different economic means -- some of whom pay nearly full-price for each meal -- to provide sufficient funds to support all the centers' meals. The loss of this partially paying middle-income group will deny many centers the critical mass necessary to offer the Child Care Food Program at all.

- Freezing the cost of living adjustment for one year for meal subsidies for the Child Care Food Program. Child care providers operate on a "bare-bones" budget, with wages making up approximately 70 percent of their costs. A freeze on free and reduced-price meal reimbursements will cause tremendous hardship for already overextended programs trying to meet the important minimum nutritional standards for meals. The costs cannot be passed on to the poor families, who already pay a disproportionate share of their income for child care.

Other child care-related proposals include:

- Eliminating the Work Incentive (WIN) Program. This program provides child care for low-income parents in work and training programs. Elimination of WIN will make it even more difficult for many families to become self-sufficient or stay in the work force.

- Expanding the sliding scale for the dependent care tax credit to 40 percent and eliminating the credit for families earning above $60,000 a year. While these would be positive changes in the dependent care tax credit, they would not be as generous as those proposed by Congress in last session's Economic Equity Act. The Equity Act would have expanded the sliding scale to 50 percent and provided the credit in cash to families that do not owe taxes; changes that would have offered greater assistance to working families, particularly to those too poor to owe any taxes who do not now benefit from the tax credit.

CHILD CARE: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
SSBG/Title XX	2,991.8	--[a]	2,460.0	1,974.0	2,450.0	2,560.0	2,700.0	2,700.0	2,725.0	2,700.0
Child Care Food Program	295.0	242.8	270.5	--[b]	335.2	--[b]	356.9	--[b]	392.0	282.0

[a] A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent.

[b] Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY 1983, by 30 percent in FY 1984, and by 4 percent in FY 1985.

15. Head Start

> Anne Smith is a high school dropout who first became a mother when she was 16. She had six children by the time she was 26. Anne worked as a domestic and her husband worked as a store clerk.
>
> At 26, Anne went back to school and received her high school diploma. She enrolled her children in the Head Start program and secured a part-time job working for the program. With encouragement and guidance from the Head Start staff, she went on to study at college and eventually completed her college degree, aided by a Ford Foundation scholarship.
>
> Anne's three oldest children have completed college and are employed. Her other three are now attending college.

For 20 years, the Head Start Program has been involving parents, teachers, and volunteers in a comprehensive child development program for disadvantaged three and four year olds. Head Start also ensures that these children receive the proper health and supportive services they need to get off to an even start with other children in school and later life.

Head Start serves some of the nation's neediest children and their families. Ninety percent of Head Start families live below the poverty level, $10,200 for a family of four. In Newark, New Jersey, the average income of Head Start families is $5,724. One-third of these families live in homes that are heated only some of the time. One-third have trouble getting themselves and their children to doctors' appointments because they do not have bus fare. Two-thirds of the children now in the program are minority; 12.5 percent are handicapped.

Head Start works to link these and other families with essential services. For example, last year 90 percent of Head Start children received medical screening, and of these children, 96 percent received the medical treatment they needed. Eighty-six percent had dental exams and, of these, 96 percent received dental treatment as well.

But Head Start is now reaching only 18 percent of those who are eligible. Although 442,100 children are served, almost 2 million more children need Head Start today. Hundreds of thousands of them are now on Head Start waiting lists, but probably will never get into the program.

This year, yet another study proved that Head Start is successful in both the long- and short-run. Changed Lives, a 20-year follow-up of graduates of a preschool program like Head Start, reinforces previous findings that it is cost effective. The total economic benefits of two years of preschool to the individual child and to society as a whole outweigh the costs by seven to one, the study says.

It found that the preschool program helped children once they are in school and had an impact on them for many years. Compared to their peers without a similar experience, preschool graduates were much more likely to graduate from high school and were less likely to be misclassified as mentally retarded or in need of special education. Children with preschool education did better on standardized achievement tests in reading, language, and math, and were more likely to go on to vocational or academic training after high school.

The study also found that the advantages gained by preschoolers continue into adulthood. They are more likely to be working and to be satisfied with their jobs; they spend more time employed after graduation, and have better-paying jobs than nonattendees.

The study also found that they are less costly to society than their peers. They were much more likely to be supporting themselves and less likely to be receiving food stamps, AFDC, Medicaid or general welfare assistance. Preschool graduates are less likely to be in trouble with the law and less likely to become teen parents than those without preschool experience.

Federal Funding Shifts Over the Past Four Years

When President Reagan first took office, he supported President Carter's proposed 16 percent increase in Head Start funding for FY 1982. But the administration later reversed its position and proposed, instead, a 12 percent increase to $912 million, which Congress approved.

The Head Start budget was then frozen at $912 million in FY 1983, but the administration undertook indirect efforts to weaken the program. It proposed to cut funding almost in half for the Child Development Association (CDA), which encourages Head Start providers to improve their skills as caregivers, and indicated it wanted to eliminate its contribution to CDA entirely in FY 1985. While Congress rejected this and later forced the administration to continue support for CDA in FY 1985, it appears that CDA will nonetheless suffer a reduction that will diminish staff improvement.

The administration attempted a major cut in training funds in FY 1984 only to be rebuffed by Congress. The administration also made several other budgetary proposals that threatened the program's quality. In FY 1984 and FY 1985, the administration tried to move the Head Start food monies out of the Child Care Food Program, where they are indexed for inflation. This change would mean that many Head Start children would not receive important meals each day.

Despite the administration's opposition, Congress passed a Head Start reauthorization in FY 1985 that included provisions to strengthen the program. The bill gives funding priority to existing programs with a successful track record. It also retains funding at 1982 levels for the training, technical assistance, and CDA components, and prevents the weakening of performance standards. This bill also gives Head Start programs the option of serving children who need a second year to benefit from the program.

Administrative Changes

While the Reagan administration has publicly expressed support for the Head Start program, its administrative actions have further hurt the program and endangered its future. For several years, the administration has undermined Head Start by inconsistent program monitoring and by making the grantees' self-evaluation process optional.

In addition, nearly every year a new crisis has broken out. In 1981, Office of Management and Budget Director David Stockman proposed that Head Start be changed into a block grant to states at a significantly reduced funding level. The administration also considered "streamlining" the program's regulations, including its highly effective performance standards which govern program content. The administration pulled back from making such changes only after receiving over 5,000 letters from the Head Start community, educators, child care professionals, and advocates protesting the changes.

In 1983, the Department of Health and Human Services (HHS) set up new criteria and a new process for seeking applications to add Head Start slots with the increased appropriations. It failed to provide a public comment period on the new process and criteria until Congress insisted on it. The Department then responded with a charade, announcing it would take comments but beginning to solicit grant proposals based on its new criteria before the comment period expired. Then, after receiving more than 1,600 comments, the department republished its original criteria without recognizing a single concern raised in the comments.

The new criteria give undue weight to applications emphasizing low cost, rather than quality services, and "innovation," rather than proven track records. They may thereby undermine Head Start's quality. Head Start has always sought innovative methods of reaching children and improving services. However, in the past, innovative approaches were first tested in well-defined and supported research and demonstration projects, which left core funds available to support the expansion of Head Start's basic comprehensive model to reach more children and families. That model has been proven successful for two decades, and to make new models a criterion for all expansion money erodes the basis of Head Start's success. Now, the pressure to be innovative for its own sake has hobbled grantees who are striving to expand established, successful programs.

The excessively heavy emphasis on low costs (rather than quality) has also endangered Head Start services. While cost-effectiveness is always a necessary criterion for government programs, the new Head Start criteria are structured to over-emphasize low-cost bidding, rather than balancing efficiency with quality. A cheaper Head Start cost per child by no means indicates a better Head Start program, but the administration is subordinating quality to cost. In fact, the Reagan administration boasts of cutting the program-wide cost per child -- lowered this year for the first time since 1975 -- but ignores the high price the children are paying.

The excessive pressure to lower costs has forced some Head Start program directors to underestimate their cost per child to be competitive and to be sure they would be funded. Now they are not sure that they can maintain the artifically low cost after this year. Others, who also projected bare-bones actual expenses, were funded at an even lower level and are having severe problems running their programs:

- A rural West Virginia program took up the challenge of cost effectiveness and proposed buying a mobile unit, which could transport staff and materials to the schools. Eliminating the need for busing children lowered the cost per child by $1,000 per year. The program received funding for half the 40 children they requested, and staff for those 20, but no mobile unit. They have added the new children but have been forced to make significant staff changes to accommodate them.

Thoughtless cost cutting also penalizes programs that serve the children who are hardest to reach or have special needs -- the children of adolescent parents, those who are handicapped, and children in rural areas -- because programs to help them are more expensive. Many directors believe that the administration's decisions ignored these children's special needs. For example:

- A Connecticut director added 15 new children, most of whom were multiply handicapped and all of whom were in diapers. After being told that the costs he submitted were excessively high, he finally received half of what he requested, even though the program is still serving the same number of children.

The administration's approach has had a negative impact on many key components of Head Start programs. Social workers, educational coordinators, special education teachers, specialists in the needs of the handicapped, and nutritionists provide the comprehensive services that are Head Start's hallmark. Many programs forced to reduce their spending per child have had to do so by refraining from hiring additional support staff, because by law they cannot increase the number of children for whom staff are responsible in the classrooms. With limited and overextended staff, it is harder to maintain the crucial nonclassroom components of the program including parent involvement, health screening, and special education.

The administration's approach has also greatly increased the importance of grant-writing skills. This penalizes small programs that are a critical part of the Head Start universe. Many are run by former Head Start parents, and effectively reflect the needs and interests of their communities.

Head Start has been unique due to its community participation. Funding decisions have traditionally been made by regional offices that knew the local programs quite well. This year, HHS made the decisions at the national level. Because some reviewers did not understand local conditions, too many seemingly arbitrary decisions resulted.

CDF Recommendations

Head Start's remarkable and proven ability to improve the futures of children and their families provides a strong justification for expanding the program so that it can reach every eligible three and four year old. Enough funds should also be appropriated to allow Head Start Parents and Child Centers, a small program that works with parents of very young children, to extend their special services to parents with infants and toddlers, so as to provide special help at an even earlier developmental stage.

The Children's Survival Bill begins to expand Head Start's services by providing a modest first-stage increase of 13.5 percent in the program. It is also crucial for the administration to improve its record of administering Head Start. The federal agency's criteria for spending expansion funds and the administration's proposals are highly disruptive and divert scarce resources from the programs to the regulatory process. Because Head Start is a cost-effective program, it should not be curtailed.

President Reagan's Proposals for FY 1986

The administration has recommended a freeze on Head Start's budget, funding the program at $1.075 billion. Administration officials claim that this will not result in a reduction in the number of children served. But given inflation, at least 19,000 children will actually lose Head Start services under the Reagan freeze.

While the administration's FY 1986 budget proposals do not call for cuts in the CDA program, it has indicated in a Federal Register announcement appearing in late January 1985 its intent to cut back CDA funding 25 percent over the next three years and to withdraw federal funds for a national credentialing body completely by FY 1988.

HEAD START: FUNDING AND BUDGET REQUESTS, FY 1981-FY 1986
(in millions of dollars)

program	FY 1981 actual	FY 1982 proposed	FY 1982 actual	FY 1983 proposed	FY 1983 actual	FY 1984 proposed	FY 1984 actual	FY 1985 proposed	FY 1985 actual	FY 1986 proposed
Head Start	820.0	911.7	911.7	912.0	912.0	974.7	995.0	995.0	1,075.1	1,075.1
CCFP	295.0	242.8	270.5	--[a]	335.2	--[a]	356.9	--[a]	392.0	282.0
SSBG/Title XX	2,991.8	--[b]	2,460.0	1,974.1	2,456.0	2,456.0	2,700.0	2,700.0	2,725.0	2,700.0
CETA[c] Public Service Employment	2,195.0	0.0	100.0	--	--	--	--	--	--	--

[a] Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY 1983, by 30 percent in FY 1984, and by 4 percent in FY 1985. For FY 1984 and FY 1985, the Head Start portion of CCFP would have been transferred to the Head Start budget.

[b] A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent. Many Head Start programs use SSBG monies to provide support services.

[c] Head Start programs lost an estimated 6,000 employees when CETA Public Service Employment was eliminated.

Note: Cuts in AFDC, Medicaid, and Food Stamps have hurt Head Start families. For more information, see the relevant chapters in this volume.

16. Legal Services

All Americans need legal services at some point in their lives. But the high cost of these services often puts them out of the reach of poor families and children. Disadvantaged Americans typically cannot afford to pay for legal counsel even if they have been denied their rightful claim to decent housing, private or public health insurance, free education, or other needs.

The federal government has established a legal services program to provide free help to poor people who have noncriminal legal problems. To protect this program from efforts to politicize or limit it, Congress created the Legal Services Corporation (LSC) in 1974. The LSC is a semi-independent, nonprofit federal corporation that distributes federal funds to local nonprofit legal aid corporations around the country and to a few national and state programs that specialize in particular areas of law. Most are overwhelmingly dependent on this federal funding.

These programs help poor families in such legal matters as landlord-tenant disputes, family law problems, consumer problems, and their battles to obtain necessary government benefits like Medicaid and food stamps. Legal services lawyers have also tried to remedy some of the more systematic abuses of poor people. They have represented organizations of the poor such as tenant unions, neighborhood groups, and community groups. They have lobbied on behalf of clients in Congress and state legislatures, just as lawyers for corporations, government agencies, and other interest groups lobby for their clients. They have also brought numerous successful class action lawsuits against government agencies and private parties, ensuring the rights of the poor.

For poor children, legal service lawyers are often the advocates of last resort. Legislation protecting the interests of children in foster care or the rights of handicapped children to an education is not always carried out. Too often, such children and their families are denied public benefits or rights provided by law, because they are unaware of the law or lack access to lawyers.

The Legal Services Program today meets only a fraction of the poor's need. Even before LSC funding cutbacks and the growth in the poverty population during the Reagan era, only an estimated 15 to 20 percent of the poor children and families needing legal help could be served due to funding constraints. Instead of expanding the federal legal services program, the Reagan administration has tried repeatedly to dismantle it. Today, the legal services program retains strong federal government commitment only because of support by a bipartisan majority in Congress, the public, bar associations, and advocates for the poor, for equal justice and for equal access to the institutions of democracy. The LSC has also survived because the courts ruled illegal a series of Reagan administration efforts to harm the program.

Because the administration has tried in various ways to ruin the Legal Services Program, Congress has had to adopt unusual methods for protecting the program, taking extraordinary steps to control the actions of Reagan appointees in the LSC national office. One coalition of legal services programs, the Project Advisory Group, said in late 1984: "The Congress, specifically the 98th Congress, has given rebirth to the program, in time for it to enter its second decade of service strong, effective, and full of vitality."

Legal Services Program Survives Administration Attack

Every year since President Reagan took office, his administration has proposed eliminating all federal legal services funding. While the administration has attempted to obscure the harshness of this proposal by saying that states can fund legal services from the federal Social Services Block Grant or other moneys, it has proposed no extra block grant money with which the states could cover this expenditure, nor is there any indication that state officials -- who are sometimes sued by legal services programs -- would provide the money needed to make up for the cuts. Members of the administration, most notably Attorney General nominee Edwin Meese, have also suggested that private attorneys or law school students could meet the legal needs of the poor -- a point on which the American Bar

Association, law school faculty, and other bar groups have disagreed with Meese.

Each year, a bipartisan coalition in Congress has overwhelmingly rejected the Reagan proposal to eliminate Legal Services. But the administration did succeed in cutting funding -- from $321 million in FY 1981 to $241 million in FY 1982 and FY 1983. This was, in effect, a 50 percent cut given the added effects of inflation, and a new requirement that programs devote some of their funds to involving private attorneys in the delivery of legal aid. By November 1983, the Washington Council of Lawyers reported that the number of Legal Services attorneys nationwide had decreased 30 percent. In FY 1984 and FY 1985, Congress restored a portion of the cuts, raising the appropriation to $275 million and then $305 million. However, this is not sufficient to ensure the poor's right to legal counsel.

President Sidesteps Hill Confirmation for LSC Board

The Board of Directors of LSC is, by statute, supposed to be an independent, bipartisan entity, free from political control and dedicated to comprehensive and effective legal representation of the poor. The 11-member board is supposed to be appointed by the President and confirmed by the Senate, with no more than six members from any political party. This process has been wholly subverted in the last four years.

At first President Reagan made no nominations for the board while he tried to eliminate the program. Finally, when Congress continued to fund LSC, President Reagan tried to undermine the program from within and bypass the Senate confirmation process by making a series of inappropriate temporary appointments to the LSC board while Congress was in recess. Over the past four years, the President has made a total of 30 such recess appointments. Many of the appointees have been chosen because of their hostility to effective federally funded legal services.

The history of the President's nominations for permanent positions on the LSC board is no more impressive. It was not until 1982 that the President nominated anyone for a regular term as an LSC director. When some of his nominees who were most hostile to legal services ran into trouble in the Senate confirmation process, President Reagan responded by withdrawing all of the nominations. Nearly a year later, in October 1983, when it was again clear that Congress would continue to fund LSC and would also restrict the potential actions of his recess appointees, the President finally announced a new group that he intended to nominate for regular terms on the LSC board. Eight names were sent to the Senate -- six Republicans, one Democrat, and one independent. After a coalition of national organizations charged four of the eight with various activities inconsistent with the LSC law goals and commitments, the Congress adjourned in 1983 and 1984 without confirming any of the Reagan nominees.

LSC Actions Hinder Representation of the Poor

While the President tried to stack the LSC board with people who shared his hostility to the program, the work of representing the poor.

President Reagan's recess boards have managed, however, to damage the work of these grantees somewhat, albeit much less than the boards would have wished. First, the President's appointees hired a president, Donald Bogard, who had no background in legal services. Through Bogard and the staff brought in at LSC national headquarters, the recess-appointed boards have tried to wage a war of attrition against the Legal Services field programs and support centers.

Bogard forced out numerous long-term, high-level LSC employees who were sympathetic to legal services and brought in inexperienced replacements. They have tried to impose red tape and intrusive rule-making procedures on Legal Services programs, in a clear attempt to impair their effective advocacy. They have multiplied the questionnaires and reporting forms, demanding information on a multitude of minute details regarding local program operation.

The new national LSC staff has shown both ineptitude and a lack of basic knowledge of how Legal Services operates. For example, a new rule they wrote for national support centers (which was immediately enjoined by the courts) contained a provision ordering the centers not to use any funds for branch offices. The expressed rationale revealed a distinct lack of information about the centers.

Since several of the support programs have small second offices in Washington, D.C., this rule was actually a thinly veiled attempt to shut off effective representation of poor people in the federal legislature and administrative process.

Senator Warren Rudman, a Republican, has remarked that the national LSC staff led by Bogard, "whether through incompetence, stupidity or malice, is currently doing the worst job of any agency with which I am in the least familiar." Bogard finally resigned, effective January 1985.

Congress has acted in a variety of ways to protect the legal services programs from this mismanagement. Appalled by proposed LSC regulations that would have barred all class action representation by legal services lawyers, it took away the LSC board's authority to write sweeping class action rules. Congress has also eased earlier restrictions on legislative advocacy that it felt the LSC interpreted too narrowly, and has conducted frequent, hard-hitting oversight hearings to investigate the actions of Bogard and his staff. Congress has demanded to be notified before LSC writes any new regulations.

Incompetence has not been the only hallmark of President Reagan's national LSC. Illegality has permeated its actions, as it has tried to ignore many congressional mandates. Representative Peter Rodino, Chairman of the House Judiciary Committee, recently asked the General Accounting Office to review the legality of LSC's use of consultants, grant-making activities, and personnel practices. Moreover, Congress, in order to stop harassment of field and support programs by the LSC, was forced to add a unique provision to the LSC funding law. For three years it has taken the unusual step of telling LSC not to deny refunding to any program unless and until there is a Senate-confirmed LSC board. Even this congressional mandate has not ended the illegal actions by the LSC recess boards and national staff. Several LSC actions have been found illegal by the courts:

- In December 1982, the LSC without any prior public notice or comment, issued new rules, as mentioned above, prohibiting the use of LSC funds by national support programs to keep open Washington, D.C. branch offices. The rules also cut back drastically on litigation, networking, and administrative and legislative representation for poor people. The new restrictions were immediately enjoined by federal judges in December 1983 and January 1984. LSC officials were cited for numerous violations of the LSC Act. The injunction was affirmed by a U.S. Appeals Court in January 1985.

- In October 1983, LSC threatened to terminate the 1984 grants for 1984 grants for several regional training centers for "fiscal reasons," despite its $34 million appropriations increase for that fiscal year. The programs obtained an injunction from the federal district court and, in June 1984, an affirmance of the injunction from the federal appeals court.

- The LSC recess-appointed board scheduled a meeting on crucial regulations with virtually no prior public notice. In an order affirmed by the U.S. Court of Appeals, a federal judge found that the board had violated both the government in the Sunshine Act and the LSC Act provisions regarding public meetings. It enjoined the meeting.

- Pending lawsuits challenge the legality of LSC's firing of membersof its own regional staff and LSC's orders that restrict its staff from communicating with bar associations, elected officials, public agencies, or the press.

- LSC refused in 1984 to fund one legal services organization, the Western Center on Law and Poverty, because, according to LSC, it had violated the law back in 1980 when it helped eligible clients to oppose a California ballot measure cutting taxes. An independent, LSC-chosen hearing officer, a former judge, disagreed that there was sufficient evidence of a violation of the law to warrant a termination of funds. But LSC President Bogard ignored his own hearing officer's decision and ordered the Western Center defunded. The Center sued, and in June 1984, a federal judge restored the funds.

CDF Recommendations

The federal Legal Services program should be expanded so that free legal services are available to protect those too poor to afford their own counsel. The types of services that must be available must be the same as those available to other Americans: representation in court, in administrative agencies, and in the legislature when appropriate.

President Reagan's Proposals for FY 1986

The President, undeterred by a total lack of support on the issue, proposed yet again in his FY 1986 budget to eliminate the legal services program entirely. As the New York Times said:

> President Reagan's fifth annual proposal to eliminate funds for the Legal Services Corporation is not to be confused with most of his other budget austerities. This is a vengeful attack on a program Mr. Reagan has sought to abolish since he was Governor of California, an attack that continues despite Congress' repeated renewal of subsidized legal help for the poor.
>
> Besides offering little to deficit reduction [Legal Services] deserves to survive because it delivers high-class legal work at bargain rates....
>
> Even when they annoy state and federal officials with litigation, the program's attorneys have not been costly to taxpayers. For the most part their suits, including those against former Governor Reagan, were meant to force fair distribution of benefits already legislated.

17. Civil Rights

Even after decades of struggle to eradicate discrimination, millions of Americans are still treated differently due to their race, gender, or handicap. The lingering blight of racial bias and other prejudice exacts a very high cost from these individuals and from society.

Discrimination in such areas as education, employment, and housing is a constant barrier to the fulfillment of youth's potential. Today, for example, black college graduates suffer as high an unemployment rate as white high school dropouts. Continued struggle against discrimination is essential to allow these youth to take their place in the adult world.

Abandonment of this effort would lead to waste of human potential, and would make hollow the nation's avowed commitment to equal opportunity.

Yet, in the past years, the Reagan administration has attempted to reverse America's recent history of improvement in combatting discrimination. In the courts, in Congress, and in its own administrative actions, the administration has repeatedly sought to turn the clock back on civil rights progress.

The Administration Blocked the 1984 Civil Rights Act

The Reagan administration helped block the passage of the Civil Rights Act of 1984, a significant piece of civil rights legislation. The proposed Act responded to the United States Supreme Court ruling in Grove City v. Bell. In Grove City, the Court, at the prompting of the administration, narrowed the reach of civil rights protections provided in Title IX of the Education Amendments of 1972. This law prohibits sex discrimination by educational institutions that receive federal funds.

In the Grove City decision, a divided Court agreed with the administration's view that the prohibition affects only those particular programs or activities that are directly funded by the federal government, and not their parent organization as a whole. Under the decision, if a college received federal financial assistance in the form of student loans and grants, the prohibition against discrimination applies only to that college's financial aid program. Other college programs would not be barred from practicing discrimination.

The Supreme Court's 6-3 ruling was a restrictive interpretation of a law which is very similar to other key civil rights laws forbidding recipients of federal funds from discriminating on the basis of race, national origin, or handicap. Prior administrations, trations, the Congress, and the Court have all repeatedly agreed in the past that these laws are entitled to a liberal reading in order to provide maximum civil rights protection. The decision was contrary to the basic concept that federal monies should be used to support only those institutions that serve all people irrespective of race, sex, national origin, or handicap. If an institution is to receive federal funding for any aspect of its programs, it should be free of discrimination in all its activities. This approach alone gives the federal government broad authority to enforce civil rights and removes any appearance that the federal government supports or condones discrimination on any basis.

But, William Bradford Reynolds, the assistant attorney general in the Reagan administration in charge of civil rights enforcement, hailed the *Grove City* decision as a great victory. The Reagan administration indicated that it intended to extend the restrictive reading applied to Title IX in the *Grove City* case to the other civil rights laws: Title VI of the Civil Rights Act of 1964 prohibiting discrimination on the basis of race and national origin, and Section 504 of the Rehabilitation Act of 1973, prohibiting discrimination against handicapped Americans. Furthermore, the Reagan administration took an immediate and overzealous approach to implementing the Court's decision, using *Grove City* as an excuse to dismiss over 60 pending civil rights complaints. It reinstated them only when a lawsuit challenged its actions.

The administration's policy changes met with strong opposition among civil rights advocates. They agreed with the previous U.S.

Civil Rights Commission that the administration's position "open(ed) the door to renewed federal financial support for discriminatory activities across the spectrum of American life."

In Congress, 72 representatives and 57 senators introduced the Civil Rights Act of 1984 to establish clearly that discrimination is prohibited throughout any institution that receives federal funds.

In congressional hearings, Assistant Attorney General Reynolds testified against the House bill, citing a desire to limit federal involvement in state and local affairs, and warned that the bill would lead to larger federal enforcement costs and considerable litigation. Reynolds's testimony was rebutted by 13 high ranking civil rights officials from the Johnson, Nixon, Ford, and Carter administrations.

The House quickly passed the bill by an overwhelming 375 to 32 margin. However, administration opposition delayed action in the Republican controlled Senate. In the final days of the 98th Congress, Senate sponsors worked out a compromise, designed to address the administration's concerns, which ensured that the new law would not broaden coverage beyond what existed prior to Grove City. In the end, however, the Reagan administration refused to support the compromise, and the bill died.

This year, the sponsors will reintroduce the measure. The administration has already signaled its opposition to a comprehensive approach to reversing Grove City. It has introduced its own, much weaker bill which covers only educational institutions, not the multitude of other entities that receive federal financial assistance and are therefore affected by the Grove City ruling.

The Justice Department Supports Legal Efforts to Revive Segregation

The Reagan administration's Justice Department has eagerly entered cases, often jumping in for the first time at the appellate level, in an effort to support those who fight for the return of segregated schools or other denials of civil rights.

It is well known that the Reagan administration opposes the use of busing to reduce the segregation of black and white students. During the fall campaign, President Reagan chose to attack busing in a speech in Charlotte, North Carolina, stirring up old animosities in a city that for many years had maintained an accepted and well-balanced desegregation plan that included busing some students. The President was attacked by civic leaders from all sides of the Charlotte political spectrum for giving the wrong speech in the wrong place at the wrong time.

But the administration's efforts to turn the clock back to the era of segregated schools are not limited to opposition to busing. It also tried to reverse the long-standing federal policy that tax exemptions should not be granted to private schools that practice racial discrimination. When a case on that issue reached the Supreme Court, the Court had to appoint a special counsel from outside the government to argue that the government had appropriately denied the tax exemptions, because the Reagan administration refused to argue for that position. The Supreme Court ruled overwhelmingly in 1983 that the federal policy of denying tax exemptions to such schools was legal and appropriate, since such discrimination was contrary to established public policy.

The administration tried again in 1984 to defeat years of desegregation progress by supporting an effort to resegregate the schools in Norfolk, Virginia. A 1971 court order desegregated the Norfolk school system. But in 1983, the Norfolk school board decided to abandon the plan. This shift would have caused 10 schools to become over 95 percent black and one to become over 70 percent white, a significant disruption of the racial mix achieved under the court-ordered plan.

Black parents brought suit to stop the resegregation of the schools. They were in favor of maintaining the existing court-ordered plan (including some busing) because the schools had improved and the test scores of blacks had risen.

The Reagan Justice Department joined the case in the Court of Appeals to oppose the position of the black parents. At oral argument, Assistant Attorney General Reynolds stated that the school district had remedied the past discrimination and, therefore, could be allowed to proceed with its new plan. His argument ignored that the remedy in Norfolk had depended and continues to depend on the court order. Without it, the fact that many of Norfolk's schools were located in segregated housing projects -- a prior discriminatory action by the city -- would immediately become the basis for new segregation. The case has not yet been decided by the appeals court.

The administration has also intervened in the courts to try to minimize the rights of the handicapped. In the past two decades, handicapped Americans and advocates for them have made progress in removing barriers to their full participation in as normal a lifestyle as possible. Many handicapped individuals who were inappropriately confined in institutions, often under dismal conditions, have been freed. A key area of concern has been finding supportive housing arrangements for those who are unable to live by themselves but do not need institutional care. Efforts to establish such housing have sometimes been met by opposition from those who have misconceptions about the nature of disabled individuals.

One such example is City of Cleburne v. Cleburne Living Center, a case pending in the Supreme Court that involves Cleburne, Texas's refusal to grant a permit for use of a building as a group home for 13 mentally handicapped adults. The city's refusal was overturned by a U.S. Court of Appeals. This decision recognized that, while a mental handicap may be a relevant consideration for distinction in some cases, a combination of historical prejudice and the political powerlessness of the mentally handicapped requires heightened judicial scrutiny of certain governmental decisions adverse to them.

Although the administration stated that it opposes the original denial of the permit, the Justice Department has now argued before the Supreme Court that any special scrutiny of discrimination against the mentally handicapped is inappropriate. The administration's professed reliance on state and local protections is belied not only by the actions of the city of Cleburne, but by the administration's own attempts to water down federal protection of the handicapped and its success in cutting funds to enforce the Developmentally Disabled Assistance Bill of Rights Act by nearly 50 percent. The Supreme Court will rule on the Cleburne case in spring 1985.

The Administration Hampers Equal Employment Opportunities

Hiring goals ensure equal opportunity for minorities and women in the job market. Because black and minority unemployment greatly exceeds that of whites, affirmative action efforts remain important as remedies for past discrimination in order to equalize the economic opportunity for these groups. A recent study by the U.S. Department of Labor concluded that such affirmative action has been highly effective in reversing prior discrimination and in promoting both the initial employment and the career advancement of blacks, women, and Hispanics. The study looked specifically at the performance of contractors who do business with government and must therefore meet special requirements.

But President Reagan's Justice Department actively opposes almost all forms of affirmative action to improve the economic status of minorities and women. Recently, for example, it went to court to oppose a remedy for racial discrimination which was voluntarily adopted by Dade County, Florida. The Dade County law attempts to reserve some local construction contracts for black-owned businesses. The ordinance was adopted after studies by the county, Florida State, and the United States Civil Rights Commission found that a main cause of the 1980 civil unrest in the county was a total absence of black participation in the county's economic growth. Although blacks comprised over 17 percent of the area's population in 1980, black-owned firms had received fewer than 1 percent of county construction contracts, which total approximately $450 million annually. The ordinance was premised on a finding that the county had a compelling interest in stimulating the black business community, and recognized that past discrimination impaired the competitive position of black-owned businesses.

The ordinance was challenged by the Associated General Contractors, an association of predominantly nonminority firms. The case has nationwide significance, since many other states and cities have adopted similar statutes and ordinances to try to award a fair share of public business to minority firms.

A federal Court of Appeals upheld Dade County's ordinance, citing a related 1980 Supreme Court decision which allowed federal construction set-asides (Fullilove v. Klutznick) and approving the fairness and care with which the county's set-aside was made.

Despite the strong foundations of the Appeals Court decision, the Justice Department then filed a brief requesting the entire appeals court to rehear the case, arguing that no local government has the authority to take affirmative measures like those provided in the Dade County ordinance. The request was denied.

In cases such as Dade County that it lost, the Reagan administration typically has not abandoned its position, but instead tried to assert it in other comparable cases in different courts. On the other hand, when court cases have resulted in opinions adverse to civil rights, the Justice Department has been quick to applaud the decisions and, as it did in Grove City, to attempt to read the opinions in the broadest possible way so as to restrict further the rights of other civil rights claimants. An example of this practice involves the Supreme Court's 1984 Stotts ruling.

Firefighters Local Union No. 1784 v. Stotts arose out of the city of Memphis's attempts to lay off firefighters because of a budgetary shortfall. Many black firefighters, recently hired as a result of a consent decree in a discrimination lawsuit, made up the bulk of the "last hired" and thus were the first to be laid off or demoted.

This case elicited several differing opinions from the Supreme Court, even among members of the majority. While the Court decided against the black firefighters, the decision was fairly narrow and primarily limited to situations involving seniority and consent decrees rather than court findings of discrimination.

Nonetheless, this decision quickly became a pretext for a broad Reagan administration attack on a variety of civil rights doctrines. Administration members declared it to be a blow against all affirmative action. Reynolds said that it was an "unequivocal" ruling against employment quotas. Within a couple of months, the Justice Department had moved to intervene in four employment discrimination cases around the country in order to alter consent decrees which set quotas. It is expected to take the same position in a number of other cases.

In other cases, the department has claimed that Stotts invalidates any remedy providing for preferential treatment of members of a minority group who cannot show that they were individually discriminated against, even if seniority is not involved and a general pattern of discrimination is shown. In one Alabama public employment case in which the Justice Department was originally a party to the consent decree, some observers believe that the department could be held in contempt of court for switching sides.

In an even more ambitious act, Clarence Thomas, chairman of the Equal Employment Opportunity Commission (EEOC) and a Reagan appointee, claimed -- without any basis -- that the Stotts opinion modified a very significant 1971 Supreme Court decision in Griggs v. Duke Power Co. Modifications in Griggs would mean a drastic cutback in enforcement of nondiscrimination in employment.

Chairman Thomas has now stated that enforcement principles, developed in significant part in Griggs, have been "overextended and overapplied." He has undertaken a review of the EEOC procedures for determining the legality of employee selection procedures. In one case brought by Thomas's own agency, the defendant has sought the testimony of Thomas to support its defense and to undercut the EEOC's claim of discrimination.

Even aside from changes in policy, routine administration enforcement of civil rights in employment has been weak. The number of suits filed by the EEOC against employers dropped by nearly 50 percent from 1981 to 1983, and the amount of money collected for victims of discrimination by federal contractors has also declined.

Administration civil rights spokespeople have also publicized their disdain for other efforts to improve the economic status of women and minorities. For example, they have repeatedly attacked efforts to end a key form of discrimination that has kept women and their families in or near poverty: the categorization of positions which are held predominantly by women as low-status, low-paying jobs.

Jobs such as secretary, nurse, or child care worker have traditionally been filled by female workers and the pay scales for such jobs have been low. Civil rights advocates have attacked this, claiming that comparable jobs should receive comparable pay. Classifying a job as low paying simply because it is held primarily by female workers is clearly sex discrimination in violation of the law. The administration disparages the view that practices that have the same effect also violate the law.

Civil Rights Enforcement Has Slackened

The federal government has the legal responsibility and authority to investigate any complaints of discrimination, and to seek corrective action if the Constitution or federal civil rights laws have been violated. But the current administration has resisted meeting its responsibility to enforce the civil rights laws in all areas, including education, housing, and federally conducted activities.

Education. The Department of Education's Office of Civil Rights (OCR) has primary responsibility for enforcing the federal laws that prohibit discrimination in education against minorities, women, and the handicapped. As a result of a lawsuit brought in the 1970s, OCR has been under court order to improve its enforcement by processing complaints in a timely manner. In 1981, plaintiffs, who are women and minorities, went back to court to complain of OCR's failure to meet the court's timelines and procedures. In response, the Reagan administration argued that court orders were no longer appropriate or necessary -- even though the agency had failed to comply with the terms of the previously negotiated orders.

For the first three years of the administration, the agency fought the court orders and failed to meet the previously agreed-on timetables. When the court reaffirmed the timetables, the agency appealed the court's decision, arguing among other things that the timetables were impossible to meet. The appeals court sent the case back to the district court to reconsider in light of a recent Supreme Court decision.

Now the agency has changed its line of argument, claiming that the orders are no longer necessary because it is meeting those timetables. Although it is finally complying with the court order, its past actions do not suggest that the agency would act the same way without a court order.

Housing. The Department of Justice enforced federal prohibitions against housing discrimination. The Reagan administration, however, persists in narrowly interpreting the scope of the federal Fair Housing Act, despite numerous court opinions to the contrary. The Justice Department continues to hamper its attorneys by maintaining that housing discrimination cases require affirmative proof by the complainant that the landlord or housing owner intended to discriminate. Most courts have held that discriminatory effect, regardless of intent, makes a strong enough case to shift the burden of proof onto the landlord or owner who is accused of discrimination.

The Justice Department's enforcement efforts have been not only narrow, but also lax. The department has filed a total of 23 cases under the Fair Housing Act in the last four years, compared to an average of 32 cases per year under prior Republican administrations. Few of these cases, moveover, have been important in advancing the law or in offering the opportunity for significant reform, the traditional goals of Justice Department litigation in this area.

Federally Conducted Activities. The federal government also has a responsibility to conduct its own business in a way that does not hinder the employment opportunities and access to services of minorities, women, and the handicapped. Federal agencies directly conduct programs and activities of potential benefit to these groups.

In 1978, Congress amended section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of handicap in any program receiving federal financial assistance. The amendment specifically prohibits discrimination under any program or activity conducted by any executive agency or by the U.S. Postal Service. Congress also, at that time, required the head of each agency to promulgate the necessary rules to put this amendment to work. The express intent of Congress was to ensure that the federal government itself should have the same section 504 obligations as recipients of federal financial assistance.

But in 1983, the Department of Justice, which coordinates enforcement of these laws, sent all federal agencies a "prototype" rule that did exactly what Congress had said not to do -- it provided that the federal government need give less protection to the handicapped than was required of the state, local, and private entities. The language that the administration included in its prototype rule for federal agencies cut back substantially on the protection afforded the handicapped. For example, it exempted discriminatory action when accommodation of the handicapped would require vaguely defined "financial and administration burdens."

This language, which had been proposed and defeated before, was met by a wave of public and congressional outrage. As it had in several prior attempts to weaken laws affecting disabled persons, the administration again backed down. However, this time it refused to eliminate the offending language totally. Although new regulatory language may dilute the harmful effects, disability advocates are still wary as to how the new rule will actually be enforced.

President Reagan's Proposals for FY 1986

The President's FY 1986 budget has a special section on the federal government's civil rights activities. The President proposes to reduce the budget authority for seven out of the eight principal civil rights enforcement units in the federal government: the Architectural and Transportation Barriers Compliance Board, the U.S. Commission on Civil Rights, the Department of Education's Office of Civil Rights (OCR), the Department of Health and Human Services' OCR, the Equal Employment Opportunity Commission, the Department of Justice's Civil Rights Division, and the Department of Labor's Office of Federal Contract Compliance. Only the Department of Housing and Urban Development's fair housing activities would receive a budget increase.

The 29 pages of this special civil rights section of the budget not only fail to explain why these cuts are proposed, but also fail to mention them at all. The cuts appear only in a chart. Instead, the entire discussion in the budget is devoted to a defense of the administration's civil rights record, to quotes from the President, and to long and sometimes intemperate attacks -- on court-ordered school desegregation plans, on the minimum wage as an alleged barrier to employment of minority youth, on past administrations for seeking affirmative action goals and quotas, and on regulations that the administration by law is supposed to be following. The budget serves explicit notice that the administration intends to eliminate or dilute the Office of Federal Contract Compliance's affirmative action standards for employment by federal contractors and to "review" EEOC rules that contain similar principles.

18. Regulations

The task of implementing legislation does not end at the steps of the U.S. Capitol. When Congress passes new laws, it often requires the agency charged with responsibility for the program to issue more detailed rules and regulations necessary to put them into practice.

In its first term, however, the Reagan administration upset this partnership between Congress and federal agencies. Instead of following Congress's intent, it often used the regulatory process to achieve budget cuts and policy changes that it had failed to obtain through legislation. While the use of this approach has slowed somewhat over the past year, the administration's abuse of the regulatory process remains a matter of serious concern. This chapter highlights specific administrative abuses by the Department of Health and Human Services (HHS), although HHS and other departments have been responsible for many more. The chapters in this book on Head Start, Legal Services, and Civil Rights provide other examples.

Deregulation for Some and Over-Regulation for Others

The administration's professed theme has been "flexibility:" that is, deregulation to give states and localities greater leeway in administering federal programs. But in fact, the administration adheres to this principle only when it is expedient.

Where regulations impede the interests of corporate or other powerful interests, the administration loosens rules that have been carefully crafted over a number of years. If regulations protect poor people against state or local abuses of authority, the Reagan administration frequently sacrifices regulatory detail to "flexibility," lessening the program's effectiveness.

However, the administration changes this approach when states use "flexible" federal rules to the advantage of public benefit recipients. Whenever a lack of specificity would help a group not favored by it, the administration's commitment to "flexibility" gives way to over-regulation.

The regulatory history of the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) is an excellent example of deregulation as used by the administration. EPSDT is a preventive health program for children who are eligible for Medicaid. It is designed to identify poor children who lack access to preventive health care and to provide them with basic screening and follow-up treatment services. Following almost 10 years of failure by both states and the federal government to implement the program, HHS published regulations in 1979 that were designed to ensure its proper implementation. These regulations guaranteed, among other things, that each mother of children receiving federal income support (AFDC) would be informed in person about EPSDT's benefits.

The Reagan administration subsequently weakened the outreach requirements of these regulations by suspending federal monitoring of state compliance. Then, in 1984, the administration replaced the 1979 regulations with a "streamlined" version that sacrificed many protections critical for eligible children. Despite studies commissioned by HHS that demonstrate the effectiveness of personal contact to inform families about preventive health care, the requirement that all eligible AFDC families be informed in person was replaced by a vague, and largely unenforceable, requirement that allows states to use a combination of other techniques to inform eligible families.

The EPSDT case is also an example of how the Reagan administration loosens requirements designed to protect recipients against budget cuts at the state level. State administrators recognize that stricter federal regulations can help them to defend their programs against efforts to sacrifice quality so as to save money. The 1979 EPSDT regulations required that any child aged three or older who receives Medicaid be automatically referred to a dentist as soon as requested. To encourage states to cut back on services for poor children, the Reagan regulations proposed that some states could change the age of dental referral to five years. Almost half of all public comments submitted on the proposed regulations, including comments by state agencies, opposed this change. Not a single commenter on dental screening supported the age rollback. As the Chief of Maternal and Child Health for the State of Ohio commented, "even to consider delay to age 5 as a possibility for dental screening is unconscionable." Nevertheless, when the administration issued final regulations in 1984, it ignored these protests and retained the rollback of dental benefits to the later age.

When flexibility in regulations works to a government program recipient's advantage, however, the administration curtails it. One recent example involved a long-standing federal regulation on eligibility for Aid to Families with Dependent Children (AFDC). Since 1975, federal regulations have allowed states to exclude (or "disregard") a poor family's "casual or inconsequential" income, like graduation or birthday gifts, from consideration in determining AFDC eligibility and grant levels. At least 19 states took advantage of this option; the highest disregard was $60 every three months. The administration proposed in 1984 to limit this disregard to a maximum of $30 every three months. This proposal is still pending.

HHS engaged in comparable over-regulation on another AFDC eligibility question. Congress provided in 1981 that certain nonrecurring income received in a lump sum by AFDC families, like a disability insurance payment or settlement of a legal claim, should result in the families' disqualification from benefits for a number of months. In 1984, recognizing that the impact of this provision had been overly harsh, Congress provided that states can choose to shorten the period of ineligibility. Yet interim final regulations published by HHS curtailed this state discretion. This regulation was unauthorized by Congress, and contrary to Congress's intent.

The administration has similarly over-reached its regulatory authority in the Medicaid area. The Health Care Finance Administration sought, in late 1983, to limit the medical expenses that could be counted in determining whether a family qualified for the "medically needy" part of the Medicaid program. Under this program, families or individuals who show that their medical expenses are so high that they effectively reduce income to within state income eligibility guidelines can receive Medicaid. Countable medical expenses are very broadly defined by statute. However, overstepping her very limited rule-making authority in this area, the Secretary proposed to allow states to count only those medical expenses which were specifically included in the state's Medicaid program. Since each state Medicaid program is different and they often fail to cover a variety of necessary medical services, this regulation would deny Medicaid coverage to many families who have been impoverished by catastrophic illness.

Abuses of the Regulatory Process

The Reagan administration often makes regulatory decisions without regard to the procedural requirements of law. Moreover, regulations are often issued in total disregard of congressional or public response.

Under the Administrative Procedure Act (APA), agencies normally must publish proposed rules for public comments, then consider and respond to comments before issuing a final rule. Public participation elicits information and perspectives that the federal agency frequently does not have. It serves as an early warning system for unanticipated problems, inconsistencies, and illegalities.

A technical loophole in the Administrative Procedure Act says that the public comment process need not apply to rules concerning federal grants or benefits, such as AFDC, child welfare, Medicaid, and education for handicapped children. This exemption dates back to the 1940s and has since become outdated; all large federal agencies waived it in 1971.

HHS proposed to repeal its waiver of this loophole in 1982, however, and to withdraw its rulemaking from the prior comment system established by law. Although over 1,400 public officials, unions, and citizens protested, HHS has still not announced what action it will take on its proposal. In the meantime, HHS and other agencies have continued to abuse the public comment process by not allowing prior comment on many rules, by not responding to comments, and by not publishing some rules at all.

As part of the 1981 budget cuts, for example, Congress made certain reductions in the Medicaid program. HHS hurriedly published final rules, with no prior comment, taking an overly zealous view of the reductions Congress had allowed. HHS solicited after-the-fact comments on these rules, and promised to respond. Despite numerous critical comments, no HHS revision was forthcoming. In 1982, and again in 1984, Congress passed new Medicaid legislation, pointing out errors in HHS's 1981 rules and directing the agency to change its policy. HHS has still not done so, three and one half years after asking for comments on the 1981 rules. The department's failure to respond to these comments, or to the 1982 and 1984 laws, shows its disregard for the public rulemaking process and for Congress.

When the administration does take action on rule-making, it often fails to follow the normal regulatory process. Under the Administrative Procedure Act, agencies are allowed to bypass prior notice and comment only on the rare occasions when going through the process would be impracticable or contrary to the public interest. In such instances, agencies publish an "interim" rule, which is effective immediately but allows comments after the fact. While such comments theoretically are considered when adopting the ultimate rule, in reality they often are not; a major reason that the interim rule procedure is supposed to be used sparingly. It is especially necessary, for example, when newly enacted legislation must be promptly implemented.

But the administration has abused the interim rule process, publishing dozens of rules without prior notice and comment, even when immediate action was not necessary. For example, Congress limited work incentives for AFDC recipients with earnings in 1981. Then, recognizing in 1984 that this limitation caused poor working families to lose Medicaid because it is linked to their AFDC eligibility, Congress reinstated some of the work incentives and provided for an extension of Medicaid benefits.

In an effort to reach the families most harmed by the 1981 provisions, Congress provided that for a six-month period states were required to give the extension to families no longer on AFDC who had lost benefits because of the 1981 changes and who would otherwise have been eligible. The statute was specific that these six months should begin with the date that the implementing regulations became final. Congress clearly intended to give states the benefit of advance guidance through the normal regulatory process.

Although Congress has specifically set no time deadlines on implementing this provision, HHS rushed to issue interim final regulations that triggered the six-month extension starting immediately. Predictably, states had no time to prepare. Many did not implement that provision on time; inevitably a crucial benefit for some poor working families will be lost.

Abdication of Administrative Responsibility

In some instances, the administration has undermined new programs or improvements in programs favorable to poor families and children by simply refusing to issue implementing regulations. Congress passed the Child Health Assurance Program (CHAP), in June 1984, a provision that extended Medicaid to thousands of children and pregnant women who were previously ineligible for coverage. This provision became effective October 1, 1984. But a Children's Defense Fund survey of selected states revealed that many state administrators do not know how to implement the new measure. Some have turned to HHS for guidance, which has not been forthcoming. Seven months after CHAP's passage, HHS has issued neither proposed regulations nor formal written guidelines to assist states.

Similarly, in August 1984, Congress passed a provision, effective upon enactment, extending Medicaid to AFDC families that lost cash assistance because they were collecting child support. In sharp contrast to the haste with which HHS issued final regulations governing the 1984 AFDC cuts, HHS has still not issued even proposed regulations to implement the Medicaid extension. Yet some states are delaying implemention of the provision until they receive guidance from HHS. This pattern is repeated elsewhere in the government, as the administration has resisted its responsibility to implement program improvements which have been enacted by Congress.

Appendix A

Cuts in Federal Programs that Serve Children and Families

SELECTED CATEGORICAL CHILDREN'S PROGRAMS

Children's Programs	Change FY 1982 Current Policy to FY 1983 Actual[a] (millions)	Change FY 1982 Current Policy to FY 1983 Actual[a] (percent)	FY 1983 Actual (millions)	FY 1984 Proposed (millions)	FY 1984 Actual (millions)	FY 1985 Proposed[b] (millions)	FY 1985 Actual[c] (millions)	FY 1986 Proposed[d] (millions)	Change, FY 1985-FY 1986[e] (percent)
Child Care & Child Welfare									
Head Start[f]	$ + 8.0	+ 0.9	$ 912.0	$ 974.7	$ 995.7	$ 994.7	$ 1,075.1	$ 1,075.1	0.0
Social Services Block Grant[g]	- 649.0	- 20.9	2,450.0	--	2,700.0	2,700.0	2,725.0	2,700.0	- 0.9
Community Services Block Grant[g]	- 238.1	- 40.5	348.0	--	348.0	0.0	368.1	0.0	-100.0
Proposed Block Grant	- 887.1	- 24.1	2,798.0	2,500.0	3,048.0	--	3,093.1	--	- 12.7
Indian Social Services	- 7.4	- 22.0	26.3	22.5	27.4	26.3	27.3	27.3	0.0
Runaway Youth	+ 10.5	+ 95.5	21.5	10.5	22.6	10.5	23.3	23.3	0.0
Juvenile Justice Delinquency Prevention	- 43.4	- 37.3	73.0	0.0	70.5	0.0	70.2	0.0	-100.0
Child Abuse State Grants	- 1.0	- 9.2	6.7	6.7	6.7	6.7	9.0	12.0	33.3
Social Service Demonstrations	- 17.6	- 36.4	22.0	9.3	21.4	4.3	29.0	18.4	- 36.6
Child Welfare Services[g]	- 20.7	- 11.7	156.3	--	165.0	--	200.0	200.0	0.0
Child Welfare Training[g]	- 1.8	- 31.7	3.8	--	2.6	--	3.8	3.8	0.0
Proposed Block Grant	- 22.5	- 12.3	160.1	156.3	167.6	168.8	203.8	203.8	0.0
Subtotal	$ - 960.5	- 19.3	$ 4,019.6	$ 3,680.0	$ 4,359.9	$ 3,911.3	$ 4,530.8	$ 4,263.7	- 6.1

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982 Current Policy to FY '983 Actual[a] (millions)	Change FY 1982 Current Policy to FY '983 Actual[a] (percent)	FY 1983 Actual (millions)	FY 1984 Proposed (millions)	FY 1984 Actual (millions)	FY 1985 Proposed[b] (millions)	FY 1985 Actual[c] (millions)	FY 1986 Proposed[d] (millions)	Change, FY 1985-FY 1986[e] (percent)
Child Health									
Maternal & Child Health	$ - 121.6	- 24.6	$ 373.0	$ 373.0	$ 399.0	$ 407.3	$ 478.0	$ 478.0	0.0
Preventive Health Block Grant	- 21.1	- 19.6	86.3	85.3	88.2	89.0	89.5	89.5	0.0
Mental Health Block Grant	- 153.8	- 26.3	439.0	439.0	462.0	472.3	490.0	490.0	0.0
Development Disabilities	- 22.5	- 35.0	60.5	41.3	62.3	64.2	75.7	73.0	- 3.6
Immunization	+ 6.4	+ 19.5	39.3	41.9	42.1	46.4	54.3	54.3	0.0
Venereal Disease Prevention	- 6.0	- 11.6	47.7	48.5	54.7	55.0	54.7	54.9	+ 0.4
Community Health Centers[g]	- 55.5	- 15.8	295.0	--	350.1	--	375.0	--	- 100.0
Black Lung Clinics[g]	- 1.8	- 36.7	3.1	--	3.1	--	3.3	--	- 100.0
Migrant Health[g]	- 8.7	- 18.6	38.1	--	42.0	--	44.3	--	- 100.0
Family Planning[g]	- 51.0	- 29.1	124.1	--	140.0	--	142.5	--	- 100.0
Primary Care Demonstration[g]									
Proposed Block Grant (Primary Care)	- 122.2	- 20.8	465.9	460.3	535.2	533.4	565.1	550.1	- 2.7
Subtotal	$ - 440.8	- 22.6	$1,506.1	$1,489.3	$1,643.5	$1,667.6	$1,807.3	$1,789.8	- 1.0

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982 Current Policy to FY 1983 Actual[a]		FY 1983 Actual	FY 1984 Proposed	FY 1984 Actual	FY 1985 Proposed[b]	FY 1985 Actual[c]	FY 1986 Proposed[d]	Change, FY 1985-FY 1986[e]
	(millions)	(percent)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(percent)
Education									
Compensatory Education	$ - 794.0	- 20.0	$ 3,167.9	$ 3,014.0	$ 3,480.0	$ 3,480.0	$ 3,688.2	$ 3,646.6	- 1.1
Handicapped Education	- 91.2	- 7.6	1,110.3	1,110.3	1,240.6	1,214.4	1,321.3	1,306.1	- 1.2
Bilingual Education	- 55.9	- 28.8	138.1	94.5	135.7	139.4	139.3	139.3	0.0
Chapter II			479.4	479.4	479.4	479.4	531.9	531.9	0.0
Vocational & Adult Education	- 197.8	- 19.4	823.7	500.0	839.0	838.5	838.5	838.5	0.0
Indian Education	- 22.3	- 24.9	67.2	0.0	68.8	68.8	67.4	67.3	- 0.1
Follow Through	- 24.9	- 56.2	19.4	0.0	14.8	0.0	10.0	0.0	-100.0
Women's Educational Equity	- 4.2	- 42.0	5.8	0.0	5.8	0.0	6.0	0.0	-100.0
Civil Rights IV-A Centers	- 21.7	- 47.5	24.0	0.0	24.0	0.0	24.0	16.0	- 33.3
Student Financial Assistance (Pell, Work/Study, Direct)	- 914.8	- 20.4	3,567.8	3,567.8	3,976.9	3,654.0	4,871.0	3,569.0	- 26.7
Guaranteed Student Loans			3,100.5	2,047.1	2,256.5	2,840.7	3,079.5	2,714.5	- 11.9
Higher/Continuing Education	- 49.9	- 11.1	397.7	204.7	426.0	252.1	479.1	252.1	- 47.4
Subtotal	$ -2,176.7	- 18.9	$12,901.8	$11,017.8	$12,947.5	$12,967.3	$15,056.2	$13,081.3	- 13.1

SELECTED CATEGORICAL CHILDREN'S PROGRAMS
(continued)

Children's Programs	Change FY 1982 Current Policy to FY 1983 Actual[a]		FY 1983 Actual	FY 1984 Proposed	FY 1984 Actual	FY 1985 Proposed[b]	FY 1985 Actual[c]	FY 1986 Proposed[d]	Change, FY 1985-FY 1986[e]
	(millions)	(percent)	(millions)	(millions)	(millions)	(millions)	(millions)	(millions)	(percent)
Miscellaneous									
Supplemental Food (W.I.C.)	$+ 64.1	+ 6.2	$ 1,092.6	$ 1,092.6	$ 1,400.2	$ 1,277.3	$ 1,448.5	$ 1,513.8	4.5
Job Corps	- 17.4	- 2.9	589.6	585.6	599.2	600.0	617.0	0.0	-100.0
Other Youth Employment (Summer Jobs)	-1,141.5	- 58.1	824.5	637.5	824.5	637.5	824.5	664.5	- 19.4
Low-Income Energy Assistance	+ 125.5	+ 6.8	1,975.0	1,300.0	2,075.0	1,875.0	2,100.0	2,100.0	0.0
Legal Services	- 103.0	- 29.9	241.0	0.0	275.0	0.0	305.0	0.0	-100.0
Rehabilitation Services	- 8.4	- 0.8	1,045.3	1,036.7	1,155.1	1,091.7	1,233.3	1,216.4	- 1.4
Work Incentives	- 124.1	- 31.4	270.8	0.0	270.8	0.0	266.8	0.0	-100.0
Appalachian Area Development	- 152.6	- 95.7	6.8	0.0	7.5	0.0	7.4	0.0	-100.0
Subtotal	$-1,357.4	- 18.4	$6,045.6	$4,652.4	$6,607.3	$5,481.5	$6,802.5	$5,494.7	- 19.2
Total	$-4,935.4	- 19.1	$24,473.1	$20,839.5	$25,558.2	$24,027.7	$28,196.8	$24,629.5	- 12.7

Notes:

[a] FY 1982 is the budget authority needed during fiscal year 1982 to operate the programs at the same real level provided by the appropriations that were in effect at the time President Reagan took office. Subsequently President Reagan cut some programs, especially education programs, even in FY 1981; the figures shown do not reflect these "rescissions." Notice that this baseline is equivalent to assuming that inflation has been zero ever since FY 1982 began. Most of the estimates are those supplied to congressional committees by the Congressional Budget Office. In a few cases, where no CBO estimates were available, we used Office of Management and Budget current service estimates, or actual FY 1981 obligations. For details, see previous editions of this book.

[b] These are the FY 1985 budget proposals submitted to Congress by the President in February 1984.

[c] These are the levels now in effect for FY 1985. They do not reflect proposed rescissions that the President has just submitted.

[d] These are the levels proposed for FY 1986 by the President in his budget, February 4, 1985.

[e] This is the percentage change from the FY 1985 levels now in effect that would occur if the President's current proposals are enacted. The change shown does not include any allowance for price increases from FY 1985 to FY 1986.

[f] The FY 1984 level shown does not include the $84 million the budget substitutes for the Child Care Food Program funds received by Head Start centers now. Since the $84 million is less than Head Start would otherwise receive for the numbers of children the Administration intends to serve (the shortfall is about $8 million, including food price increases), the table overstates the real increase offered to the program.

[g] These programs were proposed for inclusion in a block grant in FY 1984, thus they did not have individual budget levels in the previous year's budget proposals.

MAJOR ENTITLEMENT PROGRAMS OF CRITICAL IMPORTANCE TO CHILDREN AND FAMILIES
(dollars in millions)

	FY 1986 Current Policy	FY 1986 Proposed Level	Change Proposed in Level	Percent Change in Level
Food Stamps	$11,876.1	$11,855.8	$ - 20.3	- 0.2
Child Nutrition[a]	4,561.8	3,875.8	- 686.0	- 15.0
AFDC & Child Support Enforcement	8,926.2	8,806.1	- 120.1	- 1.3
Foster Care & Adoption Assistance	534.9	527.4	- 7.5	- 1.4
Medicaid	24,742.5	23,690.5	- 1,052.0	- 4.3
Total	$50,641.5	$48,755.6	$ - 1,885.9	- 3.7

[a] Includes School Lunch, School Breakfast, Child Care Food, Summer Food, Special Milk, Nutrition Education, administrative costs, and smaller abolished programs. Commodity costs are included in the total.

REAL OUTLAYS PER CAPITA (1985 DOLLARS) FOR NATIONAL DEFENSE AND FOR PROGRAMS FOR LOW-INCOME FAMILIES AND CHILDREN

Fiscal Year	National Defense	Programs for Low-Income Families and Children
1980	$ 762.9	$486.8
1981	805.9	488.7
1982	885.8	437.4
1983	965.0	451.9
1984	1,001.3	452.7
1985	1,063.7	459.8
1986	1,136.3	429.9
1987	1,215.4	419.2
1988	1,292.9	414.9
1989	1,353.6	402.7
1990	1,419.4	395.8
Change, FY 1980-FY 1990	+$ 656.5 + 86.1%	-$ 91 - 18.7%

Figures are in 1985 dollars.

National Defense outlays are totals for function 050. Programs for low-income families and children include all outlays for: education, training, and social service (function 500); health care services (subfunction 551) less Medicare; housing assistance (subfunction 604); food and nutrition assistance (subfunction 605); and other income security (subfunction 609). This grouping includes all programs discussed in this book, plus many small categorical programs (e.g., library grants) and a new larger adult employment programs (e.g., employment services) not covered. The annual average level of the Consumer Price Index (CPI-W) for 1983 through 1990 is as shown in the FY 1986 Budget. U.S. total population are estimates from the U.S. Bureau of the Census.

$14.1 billion in FY 1985 and $1.8 billion in FY 1986 of low income housing loans are removed from function 604. These loans are treated as direct outlays in the FY 1986 budget documents for technical reasons related to the tax changes passed last year. They do not include any new funds for housing nor any new guaranteed loans, and so have been removed from the table above.

PERCENTAGE OF CHILDREN IN POVERTY, BY FAMILY STRUCTURE AND RACE, 1959-1983

Family Structure and Year	Black	White	Total
Female-headed families			
1959	81.6%	64.6%	72.2%
1969	68.2	45.2	54.4
1979	63.1	38.6	48.6
1982	70.7	46.5	56.0
1983	68.5	46.9	55.4
Percentage change 1959-1979[a]	-22.7	-40.2	-32.7
Percentage change 1979-1983[a]	+ 8.6	+21.5	+14.0
Two-parent and male-headed families			
1959	60.6%	17.4%	22.4%
1969	25.0	6.7	8.6
1979	18.7	7.3	8.5
1982	24.1	11.6	13.0
1983	23.6	11.9	13.4
Percentage change 1959-1979[a]	-69.1	-58.0	-62.1
Percentage change 1979-1983[a]	+26.2	+63.0	+57.6
All Families			
1959	60.6%	17.4%	22.4%
1969	39.6	9.7	13.8
1979	40.8	11.4	16.0
1982	47.3	16.5	21.3
1983	46.3	16.9	21.7
Percentage change 1959-1979[a]	-32.7	-34.5	-28.6
Percentage change 1979-1983[a]	+13.5	+48.2	+35.6

[a] A negative change means an improvement in the poverty situation, a positive change means a worsening.

MEDIAN WEEKLY EARNINGS OF FULL-TIME WORKERS, BY AGE, RACE, AND SEX, 1983

Race and Sex	Age 16-24	Age 25+	Young Workers' Earnings as Percentage of Older Workers' Earnings
Black	$185	$278	66.5%
Male	193	309	62.5
Female	180	245	73.5
White	208	355	58.6
Male	227	409	55.5
Female	201	268	75.0
Total	207	349	59.3
Male	223	405	55.1
Female	201	263	76.4

PERCENTAGE OF FAMILIES WITH CHILDREN UNDER AGE 18 WITH 1982 INCOMES BELOW THE POVERTY LEVEL, BY AGE OF FAMILY HEAD, FAMILY TYPE, AND RACE, MARCH 1983

Family Type and Age of Head	Black	White	Total
Two-parent families	17.2%	9.0%	9.8%
Under 25	25.8	18.9	19.5
25-44	13.6	8.5	9.0
Female-headed families	63.7	39.3	47.8
Under 25	85.2	72.1	77.7
25-44	62.6	38.1	46.1

MEDIAN FAMILY INCOME AMONG CHILDREN, BY FAMILY STRUCTURE AND RACE, 1977 AND 1982 (in 1982 dollars)

Family Structure and Year	Black	White	Total
Children in two-parent families			
1982	$21,949	$27,380	$26,831
1977	22,570	30,003	29,423
Percentage change 1977-1982	- 2.8%	- 8.7%	- 8.8%
Children in female-headed families			
1982	6,108	9,246	7,912
1977	8,518	11,100	9,954
Percentage change 1977-1982	-28.3%	-16.7%	-20.5%
Children in all families			
1982	11,667	24,538	23,017
1977	14,203	27,931	26,284
Percentage change 1977-1982	-17.9%	-12.1%	-12.4%

STATES RANKED BY PERCENTAGE OF ALL BIRTHS THAT ARE TO WOMEN UNDER AGE 20, 1982

Rank	State	Percent
1	Minnesota	8.9
2	Massachusetts	9.7
3	North Dakota	10.0
4	New Hampshire	10.2
4	Utah	10.2
6	Nebraska	10.5
7	Connecticut	10.7
7	Iowa	10.7
10	Alaska	10.9
10	Hawaii	10.9
10	Vermont	10.9
10	Washington	10.9
13	Wisconsin	11.0
14	New York	11.3
14	Rhode Island	11.3
16	Montana	11.4
17	New Jersey	11.5
18	Oregon	11.8
19	Colorado	12.0
19	South Dakota	12.0
21	Idaho	12.1
22	California	12.6
23	Michigan	12.8
23	Pennsylvania	12.8
25	Maine	13.1
26	Kansas	13.4
27	Virginia	13.8
27	Wyoming	13.8
29	Maryland	14.0
30	Ohio	14.2
31	Nevada	14.5
32	Missouri	14.9
33	Indiana	15.2
34	Arizona	15.6
35	Illinois	16.2
36	Delaware	16.3
37	Florida	16.4
38	Texas	17.0
39	New Mexico	17.4
40	North Carolina	17.7
41	Oklahoma	18.3
42	West Virginia	18.4
43	South Carolina	18.5
44	Louisiana	18.7
44	Tennessee	18.7
46	Georgia	18.8
47	Alabama	18.9
48	Kentucky	19.5
49	Dist. of Columbia	19.7
50	Arkansas	20.8
51	Mississippi	21.9

Note: States have the same rank in cases where the percentages are the same. Rankings are based on percentages rounded to the nearest tenth of a point.

STATES RANKED BY PERCENTAGE OF BIRTHS TO TEENS THAT ARE OUT OF WEDLOCK, 1982

Rank	State	Percent	Rank	State	Percent
1	Utah	27.8	27	Michigan	51.0
2	Wyoming	28.8	28	Arizona	51.1
3	Idaho	29.8	29	North Carolina	51.4
4	Oklahoma	32.3	30	Ohio	52.1
5	West Virginia	34.2	31	California	52.2
6	Texas	34.6	32	Alabama	52.3
7	Kentucky	34.7	33	Louisiana	53.1
8	Nevada	38.5	33	Minnesota	53.1
9	Kansas	39.4	35	Rhode Island	53.5
10	North Dakota	41.4	36	Virginia	53.6
11	Colorado	44.5	37	Georgia	54.1
12	Iowa	44.7	38	Wisconsin	55.5
13	Tennessee	45.6	39	Florida	56.2
14	Alaska	46.1	40	Pennsylvania	57.0
14	Indiana	46.1	41	Hawaii	57.2
16	Arkansas	46.3	42	South Carolina	58.2
17	Washington	46.8	43	Mississippi	61.2
18	New Hampshire	46.9	44	Delaware	62.1
18	South Dakota	46.9	45	Massachusetts	62.3
20	New Mexico	47.2	46	Connecticut	63.5
21	Maine	47.7	47	Illinois	63.7
22	Oregon	47.9	48	Maryland	68.0
23	Montana	48.0	49	New York	69.5
24	Nebraska	48.7	50	New Jersey	71.4
24	Vermont	48.7	51	District of Columbia	88.1
26	Missouri	50.2			

MEDICAID RECIPIENT CHILDREN PER 100 CHILDREN IN POVERTY, 1974-1983

Year	Number of children on Medicaid[a]	Number of children in poverty[b]	Rate per 100 poor children[c]
1974	9,478,000	9,967,000	95.1
1975	9,602,000	10,882,000	88.2
1976	9,939,000	10,081,000	98.6
1977	9,715,000	10,028,000	96.9
1978	9,500,000	9,722,000	97.7
1979	9,022,000	9,993,000	90.3
1980	9,285,000	11,114,000	83.5
1981	9,587,000	12,068,000	79.4
1982	9,656,000	13,139,000	73.5
1983	9,418,000	13,326,000	70.7

[a] This represents the number of dependent children under age 21 for whom one or more Medicaid payments were made at some point during the fiscal year. From 1974 through 1976 the counts are for a fiscal year beginning in July and ending in the following June of the year labeled. From 1977 to the present, the year begins in October and ends in the following September of the year labeled.

[b] This represents the number of dependent children under the age of 18 living in families with a calendar year income below the poverty level.

[c] This is the first column divided by the second column, times 100.

States* Ranked by the Percentage of Poor Children Who Do Not Receive Medicaid Benefits, 1980

Rank	State	Percent	Rank	State	Percent
1	Washington, DC	26	25	Kansas	57
2	Massachusetts	28	25	Georgia	57
3	New York	34	28	Louisiana	59
4	New Jersey	34	29	North Carolina	61
5	Michigan	35	29	Alabama	61
6	Illinois	38	31	Virginia	63
7	Rhode Island	39	32	South Carolina	63
7	California	39	32	Iowa	63
9	Pennsylvania	40	34	Texas	64
9	Maryland	40	36	Indiana	66
11	Ohio	43	36	Florida	66
12	Delaware	44	36	Alaska	66
13	Hawaii	46	39	Oklahoma	67
13	Connecticut	46	39	New Mexico	67
15	Washington	49	39	Kentucky	67
15	New Hampshire	49	39	Minnesota	67
17	Vermont	51	42	Arizona	69
18	Maine	52	43	Idaho	70
19	Oregon	53	44	Nevada	71
20	Mississippi	54	45	Montana	74
20	Colorado	54	46	Utah	75
22	Missouri	55	47	Nebraska	77
23	Tennessee	56	48	North Dakota	78
25	Wisconsin	57	49	South Dakota	79
25	West Virginia	57	50	Wyoming	80

* The Arizona State program is not comparable.

Note: States have the same averaged rank in cases where the percentages are the same. Ranking's are based on percentages rounded to the nearest whole point.

THE UNITED STATES' RATE OF PROGRESS TOWARD REACHING THE SURGEON GENERAL'S 1990 OBJECTIVES FOR THE NATION, PRENATAL CARE, LOW BIRTHWEIGHT, AND INFANT MORTALITY

Infant Mortality (infant deaths per 1,000 live births)	1982 Rate	Average change per year, 1978-1982	Average yearly change needed to meet 1990 goal
Total	11.5	-0.57[a]	-0.23[a]
White	10.1	-0.48	-0.14
Nonwhite	17.3	-0.95	-0.66
Black	19.6	-0.55	-0.95
Low Birthweight			
Total	6.8%	-0.08[a]	-0.23[a]
White	5.6	-0.08	-0.08
Nonwhite	11.2	-0.18	-0.28
Early Prenatal Care			
Total	76.1%	+0.30[b]	+1.74[b]
White	79.3	+0.28	+1.34
Nonwhite	63.2	+0.45	+3.35

[a] - indicates progress toward the goal.

[b] + indicates progress toward the goal.

Note: Changes for low birthweight births and prenatal care are in percentage points. Changes for infant mortality rates are in deaths per thousand live births.

STATES RANKED BY INFANT MORTALITY RATES, 1982
(infant deaths per 1,000 live births)

Rank	State	Rate	Rank	State	Rate
1	Hawaii	8.5	26	Utah	11.0
2	Maine	8.7	28	West Virginia	11.4
3	Colorado	9.1	28	New Mexico	11.4
4	Arizona	9.3	30	Ohio	11.5
4	Vermont	9.3	30	Pennsylvania	11.5
6	Minnesota	9.4	33	Indiana	11.7
6	Wisconsin	9.4	33	Missouri	11.7
8	California	9.8	33	New Jersey	11.7
9	Wyoming	9.9	36	Kentucky	12.0
11	Idaho	10.0	36	Maryland	12.0
11	Nebraska	10.0	36	Tennessee	12.0
11	Rhode Island	10.0	38	Delaware	12.1
14	Arkansas	10.1	38	Minnesota	12.1
14	Iowa	10.1	40	New York	12.2
14	Massachusetts	10.1	41	Oklahoma	12.3
14	Montana	10.1	42	Florida	12.8
17	Kansas	10.2	43	Louisiana	12.9
17	South Dakota	10.2	43	Virginia	12.9
19	North Dakota	10.6	45	Georgia	13.2
19	Oregon	10.6	46	Illinois	13.6
21	Nevada	10.7	47	North Carolina	13.7
21	Washington	10.7	48	Alabama	13.8
23	Texas	10.8	49	Mississippi	15.4
24	Alaska	10.9	50	South Carolina	16.2
24	Connecticut	10.9	51	District of Columbia	20.3
26	New Hampshire	11.0			

Note: States have the same rank in cases where the rates are the same. Rankings are based on rates rounded to the nearest tenth of a point.

STATES RANKED BY PERCENTAGE OF ALL BIRTHS THAT ARE LOW BIRTHWEIGHT, 1982

Rank	State	Percent
1	North Dakota	4.7
2	Iowa	4.8
4	Alaska	4.9
4	Minnesota	4.9
4	Oregon	4.9
6	Wisconsin	5.0
8	South Dakota	5.1
8	Washington	5.1
8	Maine	5.1
10	New Hampshire	5.2
11	Idaho	5.3
12	Nebraska	5.5
13	Montana	5.6
13	Utah	5.6
15	Arizona	5.8
15	Massachusetts	5.8
17	California	5.9
17	Vermont	5.9
19	Rhode Island	6.0
20	Georgia	6.1
21	Kansas	6.2
22	Arkansas	6.4
22	Indiana	6.4
25	Hawaii	6.6
25	Missouri	6.6
25	Pennsylvania	6.6
28	Connecticut	6.7
28	Nevada	6.7
28	Ohio	6.7
28	West Virginia	6.7
33	Kentucky	6.9
33	Michigan	6.9
33	New Jersey	6.9
33	Oklahoma	6.9
33	Texas	6.9
36	Wyoming	7.1
37	Delaware	7.2
37	Illinois	7.2
39	New York	7.3
39	Virginia	7.3
41	Maryland	7.4
42	Florida	7.5
43	Colorado	7.7
43	New Mexico	7.7
45	Alabama	7.9
45	Tennessee	7.9
47	North Carolina	8.0
48	Louisiana	8.4
49	Mississippi	8.9
49	South Carolina	8.9
51	District of Columbia	12.9

Note: States have the same rank in cases where the percentages are the same. Rankings are based on percentages rounded to the nearest tenth of a point.

STATES RANKED BY PERCENTAGE OF BABIES BORN TO WOMEN RECEIVING CARE IN THE FIRST THREE MONTHS OF PREGNANCY, 1982[a]

Rank	State	Percent	Rank	State	Percent
1	Massachusetts	88.0	27	California	77.1
2	Rhode Island	86.9	28	Delaware	76.9
3	Connecticut	85.8	28	Illinois	76.9
4	Iowa	84.4	30	Oregon	76.7
5	New Hampshire	83.9	31	Colorado	76.1
6	Wisconsin	83.6	32	Hawaii	74.8
7	Maine	81.9	33	Arizona	74.2
8	Utah	81.8	34	Nevada	74.1
9	Vermont	81.6	36	Idaho	73.8
10	Ohio	81.0	36	Mississippi	73.8
11	Virginia	80.9	36	Tennessee	73.8
12	Kansas	80.4	38	Georgia	73.0
13	New Jersey	80.2	39	Alabama	72.6
14	Michigan	80.0	40	Kentucky	72.1
15	Nebraska	79.8	40	South Dakota	72.1
15	Pennsylvania	79.8	42	Minnesota	71.3
17	North Dakota	79.6	43	West Virginia	70.5
18	Maryland	78.8	44	Arkansas	68.9
18	Montana	78.8	45	Oklahoma	68.8
20	Wyoming	78.6	46	Texas	68.1
21	Missouri	78.5	47	Florida	67.9
22	Indiana	77.7	48	New York	67.0
22	Washington	77.7	49	South Carolina	66.9
24	North Carolina	77.5	50	District of Columbia	58.0
25	Alaska	77.3			
25	Louisiana	77.3			

[a] Data from New Mexico not included because they are not comparable.

Note: States have the same rank in cases where the percentages are the same. Rankings are based on percentages rounded to the nearest tenth of a point.

AFDC RECIPIENT CHILDREN PER 100 CHILDREN IN POVERTY, 1972-1983

Year	Number of children on AFDC[a]	Number of children in poverty[b]	Rate per 100 poor children[c]
1972	7,905,000	10,082,000	78.4
1973	7,902,000	9,453,000	83.6
1974	7,822,000	9,967,000	78.5
1975	8,095,000	10,882,000	74.4
1976	8,001,000	10,081,000	79.4
1977	7,773,000	10,028,000	77.5
1978	7,402,000	9,722,000	76.1
1979	7,179,000	9,993,000	71.8
1980	7,419,000	11,114,000	66.8
1981	7,527,000	12,068,000	62.4
1982	6,903,000	13,139,000	52.5
1983	7,098,000	13,326,000	53.3

[a] The number of dependent children in active payment status on AFDC averaged over the 12 months in the calendar year.

[b] The number of related dependent children living in families with incomes below the poverty level for the calendar year labeled.

[c] The first column divided by the second column multiplied by 100. It is not meant to imply that all or only children in poverty level families are eligible for AFDC benefits. Because the poverty level is based on the living arrangements of children in March of the year after the one for which family income is calculated, many children will appear above and below poverty, when that was not in fact true for the families with which the child lived in the previous calendar year. Many children living in families below poverty are not eligible for AFDC because of state limitations on earnings and assets.

STATES RANKED BY MONTHLY AFDC PAYMENTS AS A PERCENTAGE OF THE MONTHLY FEDERAL POVERTY LEVEL, 1984

Rank	State	Percent
1	Alaska	91
2	California	73
2	Connecticut	73
4	Wisconsin	72
5	Vermont	70
6	Minnesota	69
7	New York	67
8	Hawaii	64
8	Washington	64
10	Rhode Island	62
11	Michigan	57
12	Massachusetts	52
12	Oregon	52
14	North Dakota	51
14	Maine	51
16	Montana	50
17	Nebraska	49
17	Iowa	49
17	Texas	49
17	New Jersey	49
17	Pennsylvania	49
22	Kansas	48
22	Colorado	48
24	New Hampshire	46
25	Illinois	43
25	District of Columbia	43
28	South Dakota	42
28	Virginia	42
28	Maryland	42
28	Wyoming	42
31	Oklahoma	41
31	Idaho	41
33	Ohio	40
33	Delaware	40
35	Indiana	37
35	New Mexico	37
37	Missouri	36
38	Arizona	33
39	Florida	32
39	Nevada	32
41	West Virginia	29
43	Georgia	28
43	Kentucky	28
43	Louisiana	28
45	North Carolina	26
46	Arkansas	22
47	Utah	21
48	South Carolina	20
49	Tennessee	18
50	Alabama	17
51	Mississippi	14

Note: States with the same payment are assigned the same rank.

AFDC MAXIMUM BENEFIT AND NEED STANDARD FOR A THREE-PERSON FAMILY BY STATE

State	Maximum benefit[a]		Standard of need[b]	
	Jan 1984[c]	Jan 1985[d]	Jan 1985[d]	Percent of need paid[d]
Alabama	118	118*	384	31
Alaska	696	719	719	100
Arizona	233	233*	233	100
Arkansas	164	164*	234	70
California	526	555	555	100
Colorado	336	346*	421	82
Connecticut	529	546*	546	100
Delaware	287	287*	287	100
District of Columbia	299	327*	654	50
Florida	231	240*	400	60
Georgia	202	208*	366	57
Hawaii	468	468*	468	100
Idaho	305	304*	554	55
Illinois	302	302*	632	48
Indiana	258	256*	307	83
Iowa	360	360*	497	72
Kansas	364	373*	373	100
Kentucky	188	197*	197	100
Louisiana	190	190*	538	35
Maine	341	370*	510	73
Maryland	295	313*	433	72
Massachusetts	379	396*	627	63
Michigan(Washtenaw Co.)	(445)	(447)*	(592)	(76)
(Detroit)	(418)	(417)*	(557)	(75)
Minnesota	500	524*	524	100
Mississippi	96	96*	286	34
Missouri	261	263*	312	84
Montana	332	332*	401	83
Nebraska	350	350*	350	100
Nevada	228	233*	285	82
New Hampshire	341	378*	378	100
New Jersey	360	385*	385	100
New Mexico	258	258*	258	100
New York(Suffolk Co.)	(579)	(579)	(579)	100
(New York City)	(474)	(474)	(474)	100
North Carolina	202	223*	446	50
North Dakota	357	371*	371	100
Ohio	276	290*	627	46
Oklahoma	282	282*	282	100
Oregon	368	386*	386	100

AFDC MAXIMUM BENEFIT AND NEED STANDARD FOR A THREE-PERSON FAMILY BY STATE (Continued)

State	Maximum benefit[a] Jan 1984[c]	Maximum benefit[a] Jan 1985[d]	Standard of need[b] Jan 1985[d]	Standard of need[b] Percent of need paid[d]
Pennsylvania	350	364*	614	59
Rhode Island	462	479*	479	100
South Carolina	142	187*	187	100
South Dakota	321	329*	329	100
Tennessee	127	138*	246	56
Texas	148	167*	555	30
Utah	362	363*	685	53
Vermont	530	558	852	65
Virginia	310	327*	363	90
Washington	462	476*	768	62
West Virginia	206	206*	275	75
Wisconsin	513	533*	628	85
Wyoming	325	265*	265	100

[a] Maximum benefit is the amount paid for a family of a given size with zero countable income. Family members include one adult caretaker. In states with area differentials in benefits, figure shown is for area with the highest benefit. Maximum benefits are identical to payment standards in all states except Colorado, Indiana, Mississippi and Utah, where the payment standards are higher.

[b] Standard of need is the amount of money the state determines a family of a given size needs per month to achieve a minimum standard of living in that state. The standard of need is used to determine initial eligibility for AFDC. Benefit levels do not have to equal a state's need standard and in 30 states they do not. See column headed "Percent of need paid."

[c] Source: Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means, February 1984, Table 5, pp. 299-301.

[d] Source: Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means, February 1985, Aid to Families with Dependent Children section.

* States in which the maximum benefit for a family of three is less than 75 percent of the federal poverty level.

AFDC NEED STANDARD AND MAXIMUM BENEFIT FOR A FOUR-PERSON FAMILY BY STATE JULY 1980 AND JANUARY 1985

	July 1980[a]		January 1985[b]		Percent increase in benefits 1980-1985[e]
State	Standard of need[c]	Maximum benefit[d]	Standard of need[c]	Maximum benefit[d]	
Alabama	240	148	480	147	- 0.01
Alaska	514	514	800	800	55.6
Arizona	282	244	282	282	15.6
Arkansas	273	188	273	191	0.02
California	591	563	660	660	17.2
Colorado	351	351	510	420	19.7
Connecticut	553	553	636	636	15.0
Delaware	312	312	336	336	7.7
District of Columbia	481	349	798	399	14.3
Florida	230	230	468	284	23.5
Georgia	227	193	432	245	26.9
Hawaii	546	546	546	546	0
Idaho	421	367	627	344	- 6.3
Illinois	350	350	713	368	5.1
Indiana	363	315	363	316	- 0.32
Iowa	419	419	578	419	0
Kansas	390	390	422	422	8.2
Kentucky	235	235	246	246	4.7
Louisiana	494	213	661	234	9.9
Maine	522	352	641	465	32.1
Maryland	326	326	520	376	15.3
Massachusetts	444	419	735	463	10.5
Michigan(Washtenaw Co.)	(531)	(531)	(693)	(542)	2.1
(Detroit)	(501)	(501)	(658)	(512)	2.2
Minnesota	486	486	611	611	25.7
Mississippi	252	120	327	120	0
Missouri	365	290	365	308	6.2
Montana	331	331	513	425	28.4
Nebraska	370	370	420	420	13.5
Nevada	341	314	341	279	-11.2
New Hampshire	392	392	429	429	9.4
New Jersey	414	414	443	443	7.0
New Mexico	267	267	313	313	17.2
New York(Suffolk Co.)	(563)	(563)	(676)	(676)	20.1
(New York City)	(476)	(476)	(566)	(566)	18.9
North Carolina	210	210	488	244	16.2
North Dakota	408	408	454	454	11.3
Ohio	431	327	757	360	10.1
Oklahoma	349	349	349	349	0
Oregon	441[f]	441[f]	468	468	6.1

AFDC NEED STANDARD AND MAXIMUM BENEFIT FOR A FOUR-PERSON FAMILY BY STATE JULY 1980 AND JANUARY 1985 (Continued)

State	July 1980[a]		January 1985[b]		Percent increase in benefits 1980-1985[e]
	Standard of need[c]	Maximum benefits[d]	Standard of need[c]	Maximum benefits[d]	
Pennsylvania	395	395	749	444	12.4
Rhode Island	389	389	547	547	40.6
South Carolina	229	158	229	229	44.9
South Dakota	361	361	371	371	2.8
Tennessee	217	148	300	168	13.5
Texas	187	140	621	201	43.6
Utah	572	429	802	425	- 9.3
Vermont	753	552	951	622	12.7
Virginia	400	305	422	379	24.3
Washington	536	536	904	561	4.7
West Virginia	332	249	332	249	0
Wisconsin	622	529	749	636	20.2
Wyoming	340	340	310	310	- 8.8

[a] Source: Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means, February 1984, Tables 7 and 8, pp. 304-307.

[b] Source: Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means, February 1985, Aid to Families with Dependent Children section.

[c] Standard of need is the amount of money the state determines a family of a given size needs per month to achieve a minimum standard of living in that state. The standard of need is used to determine eligibility for AFDC.

[d] Maximum benefit is the amount paid for a family of a given size with zero countable income. Family members include one adult caretaker. Maximum benefits are identical to payment standards in all states except Colorado, Indiana, Mississippi and Utah, where the payment standards are higher.

[e] The percent increase is not adjusted for inflation.

[f] Oregon based benefits on the age of the child. Figure assumes all children in unit are under 6.

STATE ALLOCATIONS FOR MAJOR EDUCATION PROGRAMS, 1978-1984

States	Federal Compensatory Education (in millions)			P.L. 94-142 Basic Grants (in millions)			Federal Bilingual Education (in thousands)		
	1978	1982	1984	1978	1982	1984	1978	1982	1984
Alabama	53.2	67.8	65.2	3.8	16.5	19.9	0	0	0
Alaska	5.5	7.2	8.2	0.5	1.7	2.2	807	566	987
Arizona	23.0	30.0	40.6	2.5	11.0	12.6	3,663	2,086	2,846
Arkansas	33.7	44.1	42.6	1.8	9.9	11.3	0	0	248
California	194.6	276.7	361.5	23.3	78.6	89.5	26,107	12,911	17,407
Colorado	20.9	29.7	34.1	2.8	9.9	10.2	1,919	1,339	749
Connecticut	22.2	25.2	38.7	3.9	14.0	15.6	982	906	595
Delaware	6.8	9.9	12.0	0.8	2.6	2.8	200	0	0
District of Columbia	13.9	17.0	17.1	0.7	0.7	0.7	220	0	426
Florida	89.7	99.8	151.6	8.0	30.0	36.6	1,517	2,238	2,101
Georgia	58.7	76.9	85.9	5.9	23.9	27.2	95	60	0
Hawaii	6.7	7.4	10.3	0.8	2.5	3.0	523	851	534
Idaho	7.4	9.3	12.6	0.9	3.6	4.3	343	157	411
Illinois	109.1	134.0	172.8	14.9	46.4	55.3	821	1,307	1,746
Indiana	29.9	37.9	50.3	5.8	20.1	23.0	230	355	281
Iowa	18.0	24.5	28.1	3.3	13.2	13.7	0	440	400
Kansas	16.8	22.0	25.1	2.6	8.5	10.5	110	83	0
Kentucky	43.6	56.7	58.1	3.9	14.8	17.3	120	91	303
Louisiana	62.6	84.6	102.6	5.9	16.7	20.0	3,751	1,206	1,556
Maine	10.6	13.2	15.9	1.4	5.3	6.2	272	221	285
Maryland	38.3	46.3	55.2	5.1	20.8	21.8	280	207	180
Massachusetts	53.0	62.5	84.1	8.4	27.9	30.8	2,181	1,607	2,640
Michigan	94.7	108.9	138.5	10.1	31.8	36.0	2,284	2,619	4,299
Minnesota	35.2	37.3	39.3	4.9	17.5	19.1	318	525	1,217
Mississippi	52.3	66.8	61.5	2.3	9.9	12.1	313	0	280
Missouri	38.9	50.5	51.7	6.4	21.2	24.0	130	0	120
Montana	7.9	9.7	10.6	0.7	2.8	3.7	765	1,444	1,222
Nebraska	11.2	14.6	16.4	1.8	6.6	7.4	0	0	262
Nevada	3.3	4.6	6.8	0.6	2.5	3.1	0	248	133
New Hampshire	4.0	5.5	8.1	0.8	2.1	3.0	134	0	0

STATE ALLOCATIONS FOR MAJOR EDUCATION PROGRAMS, 1978-1984
(Continued)

	Federal Compensatory Education (in millions)			P.L. 94-142 Basic Grants (in millions)			Federal Bilingual Education (in thousands)		
States	1978	1982	1984	1978	1982	1984	1978	1982	1984
New Jersey	64.3	67.6	107.5	9.8	33.2	38.9	2,684	1,430	1,397
New Mexico	18.5	24.7	28.2	1.1	5.2	6.4	2,871	3,852	3,884
New York	227.3	241.5	351.5	15.8	45.3	58.1	17,795	14,928	18,612
North Carolina	67.5	87.8	80.1	6.5	25.1	28.8	251	269	81
North Dakota	6.5	8.1	8.7	0.7	2.0	2.6	0	0	1,189
Ohio	66.8	88.2	112.6	11.1	42.8	47.6	530	539	1,191
Oklahoma	25.6	35.4	39.8	2.8	13.5	18.9	579	1,458	1,935
Oregon	23.3	30.0	38.2	2.3	8.7	10.2	672	568	481
Pennsylvania	102.4	122.0	159.4	13.8	40.0	44.1	938	597	641
Rhode Island	8.0	9.4	11.2	1.0	3.7	4.5	135	481	752
South Carolina	41.8	52.3	49.0	5.0	15.0	17.4	0	0	13
South Dakota	7.1	9.2	9.8	0.7	2.1	2.8	427	809	893
Tennessee	48.8	61.9	65.0	5.8	20.6	25.9	175	690	378
Texas	165.9	234.8	248.9	15.5	56.9	67.6	12,961	8,313	5,428
Utah	7.4	9.2	12.1	2.1	7.6	9.3	510	1,016	566
Vermont	5.4	5.5	8.2	0.5	2.1	1.7	275	183	349
Virginia	49.8	59.8	59.7	5.3	20.7	22.0	441	94	256
Washington	29.4	42.9	46.5	4.9	13.3	15.1	1,179	965	1,371
West Virginia	21.3	28.2	29.7	2.1	7.8	10.2	0	0	0
Wisconsin	37.2	41.5	47.9	4.3	14.8	17.3	489	453	416
Wyoming	3.4	4.8	5.2	0.5	2.1	2.4	169	286	295
Total	2285.0	2886.0	3480.0	253.8	874.2	1,017.9	72,717	68,889	81,575

NUMBER OF CHILDREN RECEIVING TITLE XX FUNDED CHILD CARE, BY STATE, 1983-1984

STATES	1983	1984	% CHANGES 83-84	TOTAL % CHANGES 81-84
ALABAMA	12,000/8,500[1]	8,950	+5	-31
ALASKA				
ARIZONA	14,266[2]	14,300	+ .23	- 5
ARKANSAS	1,939[3]	2,100[8]	+8	- 3
COLORADO	7,500-8,000	9,392[2]	+25	-15
CONNECTICUT	7,300	9,747	+34	- 8
DELAWARE	995[2]	1,400	+41	-31
D.C.	6,000[5]	6,650	+11	+22
FLORIDA	17,666	118,666	+ 6	+14
GEORGIA	13,500/8,166[1]	8,200[5]	+ .4	+ .23
HAWAII	2,095[6]	2,250	+ 7	-62
IDAHO	550[7]	550	0	0
ILLINOIS	18,000[5]	16,762	- 7	-40
INDIANA	12,000	14,000	+17	+25
IOWA	1,100-1,200	1,197[2]	+ 9	-31
KANSAS	1,700-1,800	2,438[17]	+43	-59
KENTUCKY	6,500[3,8,9]	7,243[27]	+11	+ 4
LOUISIANA	7,421	9,510	+28	+33
MAINE	2,544	2,950	+16	+ 1
MARYLAND	12,000/7,500[1]	15,000[9]	+25	+25
MASSACHUSETTS	17,300[5]	19,125	+11	+59
MICHIGAN	3,000[6]	2,500[6]	-17	-89[6]
MINNESOTA	42,000[8]			
MISSISSIPPI	5,900	5,074	-14	+ 6
MISSOURI	6,381	5,800	- 9	-29
MONTANA	645	500[10]	-22	-55
NEBRASKA	9,000[12]	8,738[2]	- 3	- 8
NEVADA	457	800[20]	+75	- 9
NEW HAMPSHIRE	3,000[8]	3,890[8]	+30	- 3
NEW JERSEY	11,908[13]	11,893[9]	- .1	+ 5
NEW MEXICO	2,135	3,751[21]	+76	-26
NEW YORK	82,416	76,000[9]	- 8	-19
N. CAROLINA	13,192	12,481[2]	- 5	-17
N. DAKOTA	40	75	+87	-92
OHIO				
OKLAHOMA	10,500-11,000[14]	11,500	+ 9	-30
OREGON				
PENNSYLVANIA	21,876	22,800	+ 4	- 3
RHODE ISLAND	157[3]	700	+346	-67
SOUTH CAROLINA	5,000	4,950	- 1	- .3
SOUTH DAKOTA	648[6]	751[29]	+16	-65
TENNESSEE	13,000[15]	14,179	+ 9	+ 9
TEXAS	14,121	15,000	+ 6	+ 19
UTAH	4,260	6,577	+54	+ 46
VERMONT	850[2]	930[2]	+ 9	- 28
VIRGINIA	7,510[28]	9,803[28]	+30	- 29
WASHINGTON	3,531	3,700[26]	+ 5	- 9
WEST VIRGINIA	3,900	4,600	+18	-12
WISCONSIN	7,142	11,000[24]	+54	+41
WYOMING	1,303	1,303[25]		

1. Children/slots .
2. Average per month.
3. Major loss in children was prior to 1981.
4. If received Title XX money this amount of children would have been served.
5. Slots.
6. Decrease was average per year from transfer to Title IVA.
7. 1983 rough estimate. In 1981 more children paid out of Title XX; 1982/83 more children paid out of WIN; 1984 number down picked up elsewhere.
8. Rough estimate.
9. Authorized unduplicated children in care.
10. Unduplicated monthly.
11. Ten units of service includes full days and half days.
12. Nebraska attributed decrease to drop in demand resulting from unemployment.
13. Two-year plan.
14. Rough estimate. Funded children from other sources. It did not lose children.
15. Full time equivalent.
16. Leveled off since 1982.
17. Unduplicated monthly figure for April 1984.
18. Unduplicated annual figure.
19. Unduplicated count "at any given time."
20. An approximated duplicated figure; on a quarter 100 children served (unduplicated).
21. FY 84 total client count per month reached this total.
22. Average on a monthly basis; some might be duplicated.
23. Duplicated annual figure.
24. 1983 10,000 anually. This is an estimate. They are switching to new system of reporting clients. Anticipate a 10% increase in 1984.
25. Duplicated monthly estimate. The figure may be a low estimate. There is no accurate way to measure the change from 1983-1984.
26. Total includes state funded programs for children of migrants and seasonal workers as well as reservation Indians.
27. FY 1984 number reflects both parents and children being served.
28. Projected numbers; not actual number.
29. Not unduplicated, average of 63 per month.

UNEMPLOYMENT RATES OF THE CIVILIAN POPULATION, BY AGE, RACE, AND SEX SEPTEMBER 1984 (not seasonally adjusted)

	Black		White	
Age	Males	Females	Males	Females
16-19	43.7%	48.2%	16.1%	16.3%
20-24	28.3	24.0	8.7	8.5
25-54	9.3	11.5	4.4	5.8
55-64	7.8	6.0	4.2	4.6
65 and over	9.3	5.4	2.5	3.2
Total	14.8	15.2	5.6	6.6

UNEMPLOYMENT RATES OF 16- TO 24-YEAR-OLDS NOT ENROLLED IN SCHOOL, BY HIGHEST LEVEL OF EDUCATION COMPLETED, OCTOBER 1978 AND OCTOBER 1982

	Black		White	
Highest Level of School Completed	1978	1982	1978	1982
Not high school graduate	23.1%	52.9%	16.5%	27.8%
High school graduate	21.9	35.7	7.0	14.6
1-3 years of college	16.5	28.4	4.5	8.9
4 years or more of college	15.1	23.9	5.7	8.6
Total	23.1	38.6	8.3	15.7

Appendix B

Information about Congress

CONGRESSIONAL COMMITTEES WORKING
ON CHILDREN'S ISSUES

Senate

Appropriations#

S-128 Capitol Building
Washington, D.C. 20510
(202) 224-3471

Responsibilities: Item-by-item decisions on how much money to spend for each federal program each year.

Republicans

*Mark O. Hatfield, Ore., Chairman
*Ted Stevens, Alaska
*Lowell P. Weicker, Conn.
*James A. McClure, Idaho
Paul Laxalt, Nev.
Jake Garn, Utah
Thad Cochran, Miss.
*Mark Andrews, N.D.
James Abdnor, S.D.
Bob Kasten, Wisc.
Alfonse M. D'Amato, N.Y.
Mack Mattingly, Ga.
*Warren Rudman, N.H.
*Arlen Specter, Penn.
*Pete V. Domenici, N.M.

Democrats

John C. Stennis, Miss.
*Robert C. Byrd, W.V.
*William Proxmire, Wisc.
*Daniel K. Inouye, Hawaii
*Ernest F. Hollings, S.C.
*Thomas F. Eagleton, Mo.
*Lawton Chiles, Fla.
J. Bennett Johnston, La.
*Quentin N. Burdick, N.D.
Patrick J. Leahy, Vt.
Jim Sasser, Tenn.
Dennis DeConcini, Ariz.
Dale Bumpers, Ark.

*Member of Labor, Health and Human Services, Education, and Related Agencies Subcommittee, chaired by Senator Lowell Weicker.

#Committee and Subcommittee membership are still subject to change as of press time.

CONGRESSIONAL COMMITTEES
(continued)

Budget#

SD-621 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-0642

Responsibilities: Drafting and approving a congressional budget, or "budget resolution," which sets very general spending targets for the coming year.

Republicans

Pete V. Domenici, N.M., Chairman
William L. Armstrong, Colo.
Nancy Landon Kassebaum, Kans.
Rudy Boschwitz, Minn.
Orrin G. Hatch, Utah
Mark Andrews, N.D.
Steven D. Symms, Idaho
Charles E. Grassley, Iowa
Bob Kasten, Wisc.
Dan Quayle, Ind.
Slade Gorton, Wash.
John C. Danforth, Mo.

Democrats

Lawton Chiles, Fla.
Ernest F. Hollings, S.C.
Joseph R. Biden, Del.
J. Bennett Johnston, La.
Jim Sasser, Tenn.
Gary Hart, Colo.
Howard M. Metzenbaum, Ohio
Donald W. Riegle, Mich.
Daniel Patrick Moynihan, N.Y.
J. James Exon, Nebr.

Finance#

SD-219 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-4515

Responsibilities: Authorization and oversight for all tax and revenue measures and a broad range of important children's programs, including: the Adoption Assistance and Child Welfare Act of 1980; the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program under Medicaid; Medicaid; Aid to Families with Dependent Children (AFDC); Title XX Social Services; the Maternal and Child Health and Crippled Children's programs (Title V); Child Support, Social Security; Supplemental Security Income (SSI); and Dependent Care Tax Credits.

Republicans

Bob Packwood, Ore., Chairman
William V. Roth, Del.
John C. Danforth, Mo.
John H. Chafee, R.I.
John Heinz, Penn.
Malcolm Wallop, Wyo.
David Durenberger, Minn.
William L. Armstrong, Colo.
Steven D. Symms, Idaho
Charles E. Grassley, Iowa

Democrats

Russell B. Long, La.
Lloyd Bentsen, Texas
Spark M. Matsunaga, Hawaii
Daniel Patrick Moynihan, N.Y.
Max Baucus, Mont.
David L. Boren, Okla.
Bill Bradley, N.J.
George J. Mitchell, Maine
David Pryor, Ark.

#Committee membership is still subject to change as of press time.

CONGRESSIONAL COMMITTEES
(continued)

Labor and Human Resources@
SD-428 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-5375

Responsibilities: Authorization and oversight for a number of education, labor and social programs, including: Head Start; Chapter I Education of the Disadvantaged; Child Abuse Prevention and Treatment; and many others.

Republicans

Orrin G. Hatch, Utah, Chairman
Robert T. Stafford, Vt.
Dan Quayle, Ind.
Don Nickles, Okla.
Gordon J. Humphrey, N.H.
Jeremiah Denton, Ala.
Lowell P. Weicker, Conn.
Charles E. Grassley, Iowa
John P. East, N.C.
Paula Hawkins, Fla.

Democrats

Edward M. Kennedy, Mass.
Claiborne Pell, R.I.
Thomas F. Eagleton, Mo.
Donald W. Riegle, Mich.
Howard M. Metzenbaum, Ohio
Spark M. Matsunaga, Hawaii
Christopher J. Dodd, Conn.

Senate Children's Caucus@
*SH-324 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-2823

Responsibilities: The Caucus is a bipartisan group of Senators which was formed to help identify and address issues affecting children.

Republicans

Arlen Specter, Penn., Co-Chairman
Mark Andrews, N.D.
John H. Chafee, R.I.
Jeremiah A. Denton, Ala.
Robert Dole, Kans.
David Durenberger, Minn.
Charles E. Grassley, Iowa
Paula Hawkins, Fla.
John Heinz, Penn.
Robert T. Stafford, Vt.
Charles McC. Mathias, Jr., Md.

Democrats

Christopher J. Dodd, Conn., Co-Chairman
Max Baucus, Mont.
Bill Bradley, New Jersey
Dale Bumpers, Ark.
Lawton Chiles, Fla.
Alan Cranston, Calif.
Dennis DeConcini, Ariz.
Thomas F. Eagleton, Mo.
Daniel K. Inouye, Hawaii
Carl M. Levin, Mich.
Howard M. Metzenbaum, Ohio
George J. Mitchell, Maine
Claiborne Pell, R.I.
Donald W. Riegle, Jr., Mich.

*Senator Dodd's office

@Committee membership is still subject to change as of press time.

CONGRESSIONAL COMMITTEES
(continued)

House

Appropriations
H-218 Capitol Building
Washington, D.C. 20515
(202) 225-2771

Responsibilities: Item-by-item decisions on how much money to spend for federal programs each year.

Democrats

Jamie L. Whitten, Miss., chairman
Edward P. Boland, Mass.
*William H. Natcher, Ky.
Neal Smith, Iowa
Joseph P. Addabbo, N.Y.
Sidney R. Yates, Ill.
David R. Obey. Wis.
Edward R. Roybal, Calif.
Louis Stokes, Ohio
Tom Bevill, Ala.
Bill Chappell, Jr., Fla.
Bill Alexander, Ark.
John P. Murtha, Pa.
Bob Traxler, Mich.
Joseph D. Early, Mass.
Charles Wilson, Tex.
Lindy (Mrs. Hale) Boggs, La.
Norman D. Dicks, Wash.
Matthew F. McHugh, N.Y.
William Lehman, Fla.
Martin Olav Sabo, Minn.
Julian C. Dixon. Calif.
Vic Fazio, Calif.
W.G. (Bill) Hefner, N.C.
Les AuCoin, Ore.
Daniel K. Akaka, Hawaii
Wes Watkins, Okla.
William H. Gray III, Pa.
Bernard J. Dwyer, N.J.
William Hill Boner, Tenn.
Steny H. Hoyer, Md.
Bob Carr, Mich.
Robert J. Mrazek, N.Y.
Dick Durbin, Ill.
Ron Coleman, Tex.

Republicans

Silvio O. Conte, Mass.
Joseph M. McDade, Pa.
John T. Myers, Ind.
Clarence E. Miller, Ohio
Lawrence Coughlin, Pa.
C.W. Bill Young, Fla.
Jack F. Kemp, N.Y.
Ralph Regula, Ohio
George M. O'Brien, Ill.
Virginia Smith, Nebr.
Eldon Rudd, Ariz.
Carl D. Pursell, Mich.
Mickey Edwards, Okla.
Bob Livingston, La.
Bill Green, N.Y.
Tom Loeffler, Tex.
Jerry Lewis, Calif.
John Edward Porter, Ill.
Harold Rogers, Ky.
Joe Skeen, N.M.
Frank Wolf, Va.
Bill Lowrey, Calif.

*Chairman, Labor, Health and Human Services, Education, and Related Agencies Subcommittee

CONGRESSIONAL COMMITTEES
(continued)

Budget

214 House Office Building, Annex I
Washington, D.C. 20515
(202) 226-7200

Responsibilities: Drafting and approving a congressional budget, or "budget resolution," which sets very general spending targets for the coming year.

Democrats

William H. Gray III, Pa., chairman
Jim Wright, Tex.
W.G. (Bill) Hefner, N.C.
Thomas J. Downey, N.Y.
Mike Lowry, Wash.
Butler Derrick, S.C.
George Miller, Calif.
Pat Williams, Mont.
Howard Wolpe, Mich.
Martin Frost, Tex.
Vic Fazio, Calif.
Marty Russo, Ill.
Ed Jenkins, Ga.
Michael Barnes, Md.
Marvin Leath, Tex.
Charles E. Schumer, N.Y.
Barbara Boxer, Calif.
Buddy MacKay, Fla.
Jim Slattery, Kans.
Chester Atkins, Mass.

Republicans

Delbert L. Latta, Ohio
Jack F. Kemp, N.Y.
Lynn Martin, Ill.
Bobbi Fiedler, Calif.
Willis D. Gradison, Jr., Ohio
Tom Loeffler, Tex
Connie Mack, Fla.
William F. Goodling, Pa.
Denny Smith, Ore.
Vin Weber, Minn.
Hank Brown, Colo.
Beau Boulter, Tex.
Vacancy
Vacancy

Education and Labor

2181 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-4527

Responsibilities: Authorization and oversight for education and labor programs, including: Head Start; Chapter I Education of the Disadvantaged; Child Abuse Prevention and Treatment; and many others.

Democrats

Augustus F. Hawkins, Calif., chairman
William D. Ford, Mich.
Joseph M. Gaydos, Pa.
William (Bill) Clay, Mo.
Mario Biaggi, N.Y.
Austin J. Murphy, Pa.
Dale E. Kildee, Mich.
Pat Williams, Mont.
Matthew G. Martinez, Calif.
Major R. Owens, N.Y.
Frederick C. (Rick) Boucher, Va.
Charles A. Hayes, Ill.
Stephen J. Solarz, N.Y
Mervyn M. Dymally, Calif.
Dennis E. Eckart, Ohio
Timothy J. Penny, Minn.
Carl C. (Chris) Perkins, Ky.
Chester G. Atkins, Mass.
Terry Bruce, Ill.

Republicans

James M. Jeffords, Vt.
William F. Goodling, Pa.
E. Thomas Coleman, Mo.
Thomas E. Petri, Wis.
Marge Roukema, N.J.
Steve Gunderson, Wis.
Steve Bartlett, Tex.
Howard C. Nielson, Utah
Rod Chandler, Wash.
Tom Tauke, Iowa
Richard Armey, Tex.
Harris W. Fawell, Ill.
Paul B. Henry, Mich.

CONGRESSIONAL COMMITTEES
(continued)

Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-2927

Responsibilities: Authorization and oversight for Medicaid and other health programs, in addition to all energy, commerce, and environmental matters.

Democrats

John D. Dingell, Mich., chairman
James H. Scheuer, N.Y.
*Henry A. Waxman, Calif.
Timothy E. Wirth, Colo.
Philip R. Sharp, Ind.
James J. Florio, N.J.
Edward J. Markey, Mass.
Thomas A. Luken, Ohio
Doug Walgren, Pa.
Barbara A. Mikulski, Md.
Al Swift, Wash.
Mickey Leland, Tex.
Richard C. Shelby, Ala.
Cardiss Collins, Ill.
Mike Synar, Okla.
W.J. (Billy) Tauzin, La.
Ron Wyden, Oreg.
Ralph M. Hall, Tex.
Dennis E. Eckart, Ohio
Wayne Dowdy, Miss.
Bill Richardson, N.M.
Jim Slattery, Kans.
Gerry Sikorski, Minn.
John Bryant, Tex.
Jim Bates, Calif.

Republicans

James T. Broyhill, N.C.
Norman F. Lent, N.Y.
Edward R. Madigan, Ill.
Carlos J. Moorhead, Calif.
Matthew J. Rinaldo, N.J.
William E. Dannemeyer, Calif.
Bob Whittaker, Kans.
Thomas J. Tauke, Iowa
Don Ritter, Pa.
Dan Coats, Ind.
Thomas J. Bliley, Jr., Va.
Jack Fields, Tex.
Michael G. Oxley, Ohio
Howard C. Nielson, Utah
Michael Bilirakis, Fla.
Daniel Schaefer, Colo.
Fred J. Eckert, N.Y.

*Chairman, Health and Environment Subcommittee

CONGRESSIONAL COMMITTEES
(continued)

Ways and Means

1102 Longworth House Office Building
Washington, D.C. 20515
(202) 225-3625

Responsibilities: Authorization and oversight for all tax and revenue measures and a number of important children's programs, including: Title XX Social Services; the Adoption Assistance and Child Welfare Act of 1980; Aid to Families with Dependent Children (AFDC); Child Support; Supplemental Security Income (SSI); Social Security; and Dependent Care Tax Credits.

Democrats

Dan Rostenkowski, Ill., chairman
Sam Gibbons, Fla.
J.J. Pickle, Tex.
Charles B. Rangel, N.Y.
Fortney H. (Pete) Stark, Calif.
James R. Jones, Okla.
Andrew Jacobs, Jr., Ind.
*Harold E. Ford, Tenn.
Ed Jenkins, Ga.
Richard A. Gephardt, Mo.
Thomas J. Downey, N.Y.
Cecil (Cec) Heftel, Hawaii
Wyche Fowler, Jr., Ga.
Frank J. Guarini, N.J.
Marty Russo, Ill.
Donald J. Pease, Ohio
Robert T. Matsui, Calif.
Beryl Anthony, Jr., Ark.
Ronnie G. Flippo, Ala.
Byron L. Dorgan, N.D.
Barbara B. Kennelly, Conn.
Brian Donnelly, Mass.
William J. Coyne, Pa.

Republicans

John J. Duncan, Tenn.
Bill Archer, Tex.
Guy Vander Jagt, Mich.
Philip M. Crane, Ill.
Bill Frenzel, Minn.
Richard T. Schulze, Pa.
Willis D. Gradison, Jr., Ohio
W. Henson Moore, La.
Carroll A. Campbell, Jr., S.C.
William M. Thomas, Calif.
Raymond J. McGrath, N.Y.
Hal Daub, Nebr.
Judd Gregg, N.H.

---

*Chairman, Public Assistance and Unemployment Compensation Subcommittee

CONGRESSIONAL COMMITTEES
(continued)

Select Committee on Children, Youth, and Families

H-2-385 House Office Building, Annex II
Washington, D.C. 20515
(202) 226-7660

Responsibilities: Study and review of problems of children, youth, and families and the development of policies that would encourage the coordination of both governmental and private programs designed to address these programs.

Democrats

George Miller, Calif., chairman
William Lehman, Fla.
Patricia Schroeder, Colo.
Lindy (Mrs. Hale) Boggs, La.
Matthew F. McHugh, N.Y.
Ted Weiss, N.Y.
Beryl Anthony, Jr., Ark.

Barbara Boxer, Calif.
Sander M. Levin, Mich.
Bruce A. Morrison, Conn.
J. Roy Rowland, Ga.
Gerry Sikorski, Minn.
Alan Wheat, Mo.

Republicans

Dan Coats, Ind.
Hamilton Fish, Jr., N.Y.
Thomas J. Bliley, Jr., Va.
Frank R. Wolf, Va.
Dan Burton, Ind.
Nancy L. Johnson, Conn.
John R. McKernan, Jr., Maine
Barbara F. Vucanovich, Nev.

MEMBERS OF CONGRESS

This roster of congressional members is included to help you in contacting your representatives.

Mail to Senators may be addressed to:

The Honorable ____________________
U.S. Senate
Washington, D.C. 20510

Mail to Congresspersons may be addressed to:

The Honorable ____________________
U.S. House of Representatives
Washington, D.C. 20515

Members can also be called. The Capitol Hill switchboard number is (202) 224-3121.

In the following list of members, Democrats are in roman type, Republicans in italic.

ALABAMA

SENATORS

Howell T. Heflin
Jeremiah Denton

REPRESENTATIVES

[Democrats, 5; Republicans, 2]

1. *H.L. "Sonny" Callahan*
2. *William L. Dickinson*
3. Bill Nichols
4. Tom Bevill
5. Ronnie G. Flippo
6. Ben Erdreich
7. Richard C. Shelby

ALASKA

SENATORS

Ted Stevens
Frank H. Murkowski

REPRESENTATIVE

[Republican, 1]

At Large—*Donald E. Young*

ARIZONA

SENATORS

Barry Goldwater
Dennis DeConcini

REPRESENTATIVES

[Democrats, 1; Republicans, 4]

1. *John S. McCain III*
2. Morris K. Udall
3. *Bob Stump*
4. *Eldon D. Rudd*
5. *Jim Kolbe*

ARKANSAS

SENATORS

Dale Bumpers
David H. Pryor

REPRESENTATIVES

[Democrats, 3; Republicans, 1]

1. Bill Alexander
2. Tommy Robinson
3. *John P. Hammerschmidt*
4. Beryl F. Anthony, Jr.

CALIFORNIA

SENATORS

Alan Cranston
Pete Wilson

REPRESENTATIVES

[Democrats, 27; Republicans, 18]

1. Douglas H. Bosco
2. *Eugene A. Chappie*
3. Robert T. Matsui
4. Vic Fazio
5. Sala Burton
6. Barbara Boxer
7. George Miller
8. Ronald V. Dellums
9. Fortney H. (Pete) Stark
10. Don Edwards
11. Tom Lantos
12. *Edwin V. W. Zschau*
13. Norman Y. Mineta
14. *Norman D. Shumway*
15. Tony Coelho
16. Leon E. Panetta
17. *Charles Pashayan, Jr.*
18. Richard H. Lehman
19. *Robert J. Lagomarsino*
20. *William M. Thomas*
21. *Bobbi Fiedler*
22. *Carlos J. Moorhead*
23. Anthony C. Beilenson
24. Henry A. Waxman
25. Edward R. Roybal
26. Howard L. Berman
27. Mel Levine
28. Julian C. Dixon
29. Augustus F. (Gus) Hawkins
30. Matthew G. Martinez
31. Mervyn M. Dymally
32. Glenn M. Anderson
33. *David Dreier*
34. Esteban E. Torres
35. *Jerry Lewis*
36. George E. Brown, Jr.
37. *Alfred A. McCandless*
38. *Robert K. Dornan*
39. *William E. Dannemeyer*
40. *Robert E. Badham*
41. *Bill Lowery*
42. *Dan E. Lungren*
43. *Ronald C. Packard*
44. Jim Bates
45. *Duncan L. Hunter*

COLORADO

SENATORS

Gary Hart
William L. Armstrong

REPRESENTATIVES

[Democrats, 2; Republicans, 4]

1. Patricia Schroeder
2. Timothy E. Wirth
3. *Michael L. Strang*
4. *Hank Brown*
5. *Kenneth B. Kramer*
6. *Daniel Schaefer*

CONNECTICUT

SENATORS

Lowell P. Weicker, Jr.
Christopher J. Dodd

REPRESENTATIVES

[Democrats, 3; Republicans, 3]

1. Barbara B. Kennelly
2. Samuel Gejdenson
3. Bruce A. Morrison
4. *Stewart B. McKinney*
5. *John G. Rowland*
6. *Nancy L. Johnson*

DELAWARE

SENATORS

William V. Roth, Jr.
Joseph R. Biden, Jr.

REPRESENTATIVE

[Democrat, 1]

At Large—Thomas R. Carper

DISTRICT OF COLUMBIA

DELEGATE

[Democrat, 1]

Walter E. Fauntroy

FLORIDA

SENATORS

Lawton Chiles
Paula Hawkins

REPRESENTATIVES

[Democrats, 12; Republicans, 7]

1. Earl Hutto
2. Don Fuqua
3. Charles E. Bennett
4. Bill Chappell, Jr.
5. *Bill McCollum*
6. Buddy MacKay
7. Sam M. Gibbons
8. *C. W. Bill Young*
9. *Michael Bilirakis*
10. *Andy Ireland*
11. Bill Nelson
12. *Thomas F. Lewis*
13. *Connie Mack 3d*
14. Daniel A. Mica
15. *Clay Shaw*
16. Lawrence J. Smith
17. William Lehman
18. Claude D. Pepper
19. Dante B. Fascell

GEORGIA

SENATORS

Sam Nunn
Mack Mattingly

REPRESENTATIVES

[Democrats, 8; Republicans, 2]

1. Lindsay Thomas
2. Charles Hatcher
3. Richard B. Ray
4. *Patrick L. Swindall*
5. Wyche Fowler, Jr.
6. *Newt Gingrich*
7. George "Buddy" Darden
8. J. Roy Rowland
9. Edgar L. Jenkins
10. Doug Barnard, Jr.

HAWAII

SENATORS

Daniel K. Inouye
Spark M. Matsunaga

REPRESENTATIVES

[Democrats, 2]

1. Cecil Heftel
2. Daniel K. Akaka

IDAHO

SENATORS

James A. McClure

Steve Symms

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. ***Larry Craig***
2. Richard Stallings

ILLINOIS

SENATORS

Alan J. Dixon

Paul Simon

REPRESENTATIVES

[Democrats, 13; Republicans, 9]

1. Charles A. Hayes
2. **Gus Savage**
3. **Marty Russo**
4. ***George M. O'Brien***
5. **William O. Lipinski**
6. ***Henry J. Hyde***
7. **Cardiss Collins**
8. **Dan Rostenkowski**
9. **Sidney R. Yates**
10. ***John Edward Porter***
11. **Frank Annunzio**
12. ***Philip M. Crane***
13. *Harris W. Fawell*
14. *John E. Grotberg*
15. ***Edward R. Madigan***
16. ***Lynn Martin***
17. **Lane A. Evans**
18. ***Robert H. Michel***
19. Terry L. Bruce
20. **Richard J. Durbin**
21. **Melvin Price**
22. Kenneth J. Gray

INDIANA

SENATORS

Richard G. Lugar

Dan Quayle

REPRESENTATIVES

[Democrats, 4; Republicans, 6]

1. Peter Visclosky
2. **Philip R. Sharp**
3. ***John Patrick Hiler***
4. ***Dan R. Coats***
5. ***Elwood Hillis***
6. ***Danny L. Burton***
7. ***John T. Myers***
8. *Richard McIntyre*
9. **Lee H. Hamilton**
10. **Andrew Jacobs, Jr.**

IOWA

SENATORS

Charles E. Grassley

Tom Harkin

REPRESENTATIVES

[Democrats, 2; Republicans, 4]

1. ***Jim Leach***
2. ***Thomas J. Tauke***
3. ***Cooper Evans***
4. **Neal Smith**
5. *Jim Ross Lightfoot*
6. **Berkley Bedell**

KANSAS

SENATORS

Bob Dole

Nancy L. Kassebaum

REPRESENTATIVES

[Democrats, 2; Republicans, 3]

1. ***Pat Roberts***
2. **James C. Slattery**
3. *Jan Meyers*
4. **Dan Glickman**
5. ***Bob Whittaker***

KENTUCKY

SENATORS

Wendell H. Ford

Mitch McConnell

REPRESENTATIVES

[Democrats, 4; Republicans, 3]

1. **Carroll Hubbard, Jr.**
2. **William H. Natcher**
3. **Romano L. Mazzoli**
4. ***M. G. (Gene) Snyder***
5. ***Harold (Hal) Rogers***
6. ***Larry J. Hopkins***
7. Carl C. "Chris" Perkins

LOUISIANA

SENATORS

Russell B. Long

J. Bennett Johnston, Jr.

REPRESENTATIVES

[Democrats, 6; Republicans, 2]

1. ***Robert L. Livingston***
2. **Corinne C. (Lindy) Boggs**
3. **W. J. (Billy) Tauzin**
4. **Charles Roemer**
5. **Thomas J. Huckaby**
6. ***W. Henson Moore***
7. **John B. Breaux**
8. **Gillis W. Long**

MAINE

SENATORS

William S. Cohen

George J. Mitchell

REPRESENTATIVES

[Republicans, 2]

1. ***John R. McKernan, Jr.***
2. ***Olympia J. Snowe***

MARYLAND

SENATORS

Charles McC. Mathias, Jr.

Paul S. Sarbanes

REPRESENTATIVES

[Democrats, 6; Republicans, 2]

1. Roy Dyson
2. *Helen Delich Bentley*
3. Barbara A. Mikulski
4. *Marjorie S. Holt*
5. Steny H. Hoyer
6. Beverly B. Byron
7. Parren J. Mitchell
8. Michael D. Barnes

MASSACHUSETTS

SENATORS

Edward M. Kennedy

John F. Kerry

REPRESENTATIVES

[Democrats, 10; Republicans, 1]

1. *Silvio O. Conte*
2. Edward P. Boland
3. Joseph D. Early
4. Barney Frank
5. Chester G. Atkins
6. Nicholas Mavroules
7. Edward J. Markey
8. Thomas P. O'Neill, Jr.
9. John Joseph Moakley
10. Gerry E. Studds
11. Brian J. Donnelly

MICHIGAN

SENATORS

Donald W. Riegle, Jr.

Carl Levin

REPRESENTATIVES

[Democrats, 11; Republicans, 7]

1. John Conyers, Jr.
2. *Carl D. Pursell*
3. Howard E. Wolpe
4. *Mark D. Siljander*
5. *Paul B. Henry*
6. Bob Carr
7. Dale E. Kildee
8. Bob Traxler
9. *Guy Vander Jagt*
10. *Bill Schuette*
11. *Robert W. Davis*
12. David E. Bonior
13. George W. Crockett, Jr.
14. Dennis M. Hertel
15. William D. Ford
16. John D. Dingell
17. Sander M. Levin
18. *William S. Broomfield*

MINNESOTA

SENATORS

David F. Durenberger

Rudy Boschwitz

REPRESENTATIVES

[Democrats, 5; Republicans, 3]

1. Timothy J. Penny
2. *Vin Weber*
3. *Bill Frenzel*
4. Bruce F. Vento
5. Martin O. Sabo
6. Gerry Sikorski
7. *Arlan Stangeland*
8. James L. Oberstar

MISSISSIPPI

SENATORS

John C. Stennis

Thad Cochran

REPRESENTATIVES

[Democrats, 3; Republicans, 2]

1. Jamie L. Whitten
2. *William W. Franklin*
3. G. V. (Sonny) Montgomery
4. Wayne Dowdy
5. *Trent Lott*

MISSOURI

SENATORS

Thomas F. Eagleton

John C. Danforth

REPRESENTATIVES

[Democrats, 6; Republicans, 3]

1. William (Bill) Clay
2. Robert A. Young
3. Richard A. Gephardt
4. Ike Skelton
5. Alan D. Wheat
6. *E. Thomas Coleman*
7. *Gene Taylor*
8. *Bill Emerson*
9. Harold L. Volkmer

MONTANA

SENATORS

John Melcher

Max Baucus

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. Pat Williams
2. *Ron Marlenee*

NEBRASKA

SENATORS

Edward Zorinsky

J. James Exon

REPRESENTATIVES

[Republicans, 3]

1. *Doug Bereuter*
2. *Hal Daub*
3. *Virginia Smith*

NEVADA

SENATORS

Paul Laxalt

Chic Hecht

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. Harry M. Reid
2. *Barbara F. Vucanovich*

NEW HAMPSHIRE

SENATORS

Gordon J. Humphrey
Warren Rudman

REPRESENTATIVES

[Republicans, 2]

1. *Robert C. Smith*
2. ***Judd Gregg***

NEW JERSEY

SENATORS

Bill Bradley
Frank R. Lautenberg

REPRESENTATIVES

[Democrats, 8; Republicans, 6]

1. **James J. Florio**
2. **William J. Hughes**
3. **James J. Howard**
4. ***Christopher H. Smith***
5. ***Marge Roukema***
6. **Bernard J. Dwyer**
7. ***Matthew J. Rinaldo***
8. **Robert A. Roe**
9. **Robert G. Torricelli**
10. **Peter W. Rodino, Jr.**
11. *Dean A. Gallo*
12. ***James A. Courter***
13. *H. James Saxton*
14. **Frank J. Guarini**

NEW MEXICO

SENATORS

Pete V. Domenici
Jeff Bingaman

REPRESENTATIVES

[Democrat, 1; Republicans, 2]

1. ***Manuel Lujan, Jr.***
2. ***Joe Skeen***
3. **William B. Richardson**

NEW YORK

SENATORS

Daniel P. Moynihan
Alfonse M. D'Amato

REPRESENTATIVES

[Democrats, 19; Republicans, 15]

1. ***William Carney***
2. **Thomas J. Downey**
3. **Robert J. Mrazek**
4. ***Norman F. Lent***
5. ***Raymond J. McGrath***
6. **Joseph P. Addabbo**
7. **Gary L. Ackerman**
8. **James H. Scheuer**
9. Thomas J. Manton
10. **Charles E. Schumer**
11. **Edolphus Towns**
12. **Major R. Owens**
13. **Stephen J. Solarz**
14. ***Guy V. Molinari***
15. ***Bill Green***
16. **Charles B. Rangel**
17. **Ted Weiss**
18. **Robert Garcia**
19. **Mario Biaggi**
20. *Joseph DioGuardi*
21. ***Hamilton Fish, Jr.***
22. ***Benjamin A. Gilman***
23. **Samuel S. Stratton**
24. ***Gerald B. Solomon***
25. ***Sherwood L. Boehlert***
26. ***David O'B. Martin***
27. ***George C. Wortley***
28. **Matthew F. McHugh**
29. ***Frank Horton***
30. *Fred J. Eckert*
31. ***Jack Kemp***
32. **John J. LaFalce**
33. **Henry J. Nowak**
34. **Stan Lundine**

NORTH CAROLINA

SENATORS

Jesse A. Helms
John P. East

REPRESENTATIVES

[Democrats, 6; Republicans, 5]

1. **Walter B. Jones**
2. **Tim Valentine**
3. **Charles O. Whitley**
4. *William W. Cobey, Jr.*
5. **Stephen L. Neal**
6. *Howard Coble*
7. **Charlie Rose**
8. **W. G. (Bill) Hefner**
9. *J. Alex McMillan*
10. ***James T. Broyhill***
11. *William Hendon*

NORTH DAKOTA

SENATORS

Quentin N. Burdick
Mark Andrews

REPRESENTATIVE

[Democrat, 1]

At Large—Byron L. Dorgan

OHIO

SENATORS

John Glenn
Howard M. Metzenbaum

REPRESENTATIVES

[Democrats, 11; Republicans, 10]

1. **Thomas A. Luken**
2. ***Willis D. Gradison, Jr.***
3. **Tony P. Hall**
4. ***Michael G. Oxley***
5. ***Delbert L. Latta***
6. ***Bob McEwen***
7. ***Michael DeWine***
8. ***Thomas N. Kindness***
9. **Marcy Kaptur**
10. ***Clarence E. Miller***
11. **Dennis E. Eckart**
12. ***John R. Kasich***
13. **Donald J. Pease**
14. **John F. Seiberling**
15. ***Chalmers P. Wylie***
16. ***Ralph Regula***
17. James A. Traficant, Jr.
18. **Douglas Applegate**
19. **Edward F. Feighan**
20. **Mary Rose Oakar**
21. **Louis Stokes**

OKLAHOMA

SENATORS

David L. Boren
Don Nickles

REPRESENTATIVES

[Democrats, 5; Republican, 1]

1. **James R. Jones**
2. **Mike Synar**
3. **Wesley W. Watkins**
4. **Dave McCurdy**
5. ***Mickey Edwards***
6. **Glenn English**

OREGON

SENATORS

Mark O. Hatfield
Bob Packwood

REPRESENTATIVES

[Democrats, 3; Republicans, 2]

1. Les AuCoin
2. *Robert F. Smith*
3. Ron Wyden
4. James Weaver
5. *Denny Smith*

PENNSYLVANIA

SENATORS

John Heinz
Arlen Specter

REPRESENTATIVES

[Democrats, 13; Republicans, 10]

1. Thomas M. Foglietta
2. William (Bill) H. Gray 3d
3. Robert A. Borski, Jr.
4. Joseph P. Kolter
5. *Richard T. Schulze*
6. Gus Yatron
7. Bob Edgar
8. Peter H. Kostmayer
9. *E. G. (Bud) Shuster*
10. *Joseph M. McDade*
11. Paul E. Kanjorski
12. John P. Murtha
13. *Lawrence Coughlin*
14. William J. Coyne
15. *Don Ritter*
16. *Robert S. Walker*
17. *George W. Gekas*
18. Doug Walgren
19. *William F. Goodling*
20. Joseph M. Gaydos
21. *Thomas J. Ridge*
22. Austin J. Murphy
23. *William F. Clinger, Jr.*

RHODE ISLAND

SENATORS

Claiborne Pell
John H. Chafee

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. Fernand J. St Germain
2. *Claudine Schneider*

SOUTH CAROLINA

SENATORS

Strom Thurmond
Ernest F. Hollings

REPRESENTATIVES

[Democrats, 3; Republicans, 3]

1. *Thomas F. Hartnett*
2. *Floyd Spence*
3. Butler Derrick
4. *Carroll Campbell, Jr.*
5. John McK. Spratt
6. Robert M. (Robin) Tallon

SOUTH DAKOTA

SENATORS

Larry Pressler
James Abdnor

REPRESENTATIVE

[Democrat, 1]

At Large—Thomas A. Daschle

TENNESSEE

SENATORS

James R. Sasser
Albert Gore, Jr.

REPRESENTATIVES

[Democrats, 6; Republicans, 3]

1. *James H. Quillen*
2. *John J. Duncan*
3. Marilyn Lloyd
4. James Cooper
5. William H. Boner
6. Bart Gordon
7. *Donald K. Sundquist*
8. Ed Jones
9. Harold E. Ford

TEXAS

SENATORS

Lloyd M. Bentsen
Phil Gramm

REPRESENTATIVES

[Democrats, 17; Republicans, 10]

1. Sam B. Hall, Jr.
2. Charles Wilson
3. *Steve Bartlett*
4. Ralph M. Hall
5. John W. Bryant
6. *Joe Barton*
7. *Bill Archer*
8. *Jack Fields*
9. Jack Brooks
10. J. J. (Jake) Pickle
11. J. Marvin Leath
12. James C. Wright, Jr.
13. *Beau Boulter*
14. *Mac Sweeney*
15. E (Kika) de la Garza
16. Ronald Coleman
17. Charles W. Stenholm
18. Mickey Leland
19. *Larry Combest*
20. Henry B. Gonzalez
21. *Tom Loeffler*
22. *Tom DeLay*
23. Albert G. Bustamante
24. Martin Frost
25. Michael A. Andrews
26. *Richard Armey*
27. Solomon P. Ortiz

UTAH

SENATORS

Jake Garn
Orrin G. Hatch

REPRESENTATIVES

[Democrat, 1; Republicans, 2]

1. *James V. Hansen*
2. *David S. Monson*
3. *Howard C. Nielson*

VERMONT

SENATORS

Robert T. Stafford

Patrick J. Leahy

REPRESENTATIVE

[Republican, 1]

At Large—*James M. Jeffords*

VIRGINIA

SENATORS

John W. Warner

Paul S. Trible, Jr.

REPRESENTATIVES

[Democrats, 4, Republicans, 6]

1. *Herbert H. Bateman*
2. *G. William Whitehurst*
3. *Thomas J. (Tom) Bliley, Jr.*
4. Norman Sisisky
5. Dan Daniel
6. James R. Olin
7. *D. French Slaughter*
8. *Stanford E. (Stan) Parris*
9. Frederick C. Boucher
10. *Frank R. Wolf*

WASHINGTON

SENATORS

Daniel J. Evans

Slade Gorton

REPRESENTATIVES

[Democrats, 5, Republicans, 3]

1. *John Miller*
2. Al Swift
3. Don Bonker
4. *Sid Morrison*
5. Thomas S. Foley
6. Norman D. Dicks
7. Mike Lowry
8. *Rod Chandler*

WEST VIRGINIA

SENATORS

Robert C. Byrd

John D. "Jay" Rockefeller IV

REPRESENTATIVES

[Democrats, 4]

1. Alan B. Mollohan
2. Harley O. Staggers, Jr.
3. Robert E. Wise, Jr.
4. Nick J. Rahall 2d

WISCONSIN

SENATORS

William Proxmire

Robert W. Kasten, Jr.

REPRESENTATIVES

[Democrats, 5, Republicans, 4]

1. Les Aspin
2. Robert W. Kastenmeier
3. *Steven Gunderson*
4. Gerald Kleczka
5. Jim Moody
6. *Thomas E. Petri*
7. David R. Obey
8. *Toby Roth*
9. *F. James Sensenbrenner, Jr.*

WYOMING

SENATORS

Malcolm Wallop

Alan K. Simpson

REPRESENTATIVE

[Republican, 1]

At Large—*Dick Cheney*

FY 1986 CONGRESSIONAL BUDGET TIMETABLE

The Congressional Budget Process is critical to programs for children, adolescents and families. It is a process whereby Congress establishes the overall funding priorities for the Federal Government, taking both revenues and expenditures into account. The focal points of the budget process are the Concurrent Budget Resolutions. The House and Senate Budget Committees have primary responsibility for the development of the budget resolutions; but authorizing and appropriations committees also play key roles and eventually the resolutions must be approved by a majority of both houses.

It is imperative that everyone interested in children's programs forcefully and effectively inform members of the Budget Committee and other Congressmen and Senators of the vital necessities of these programs for children and families. Not only must these programs be exempt from further budget cuts, but positive and preventive investments must be made if children are to survive and thrive. The key points in the budget process are outlined below. The asterisks (*) on the budget timetable indicate the points at which letters, calls, and visits to members are essential. Your voice and presence make the difference. We urge you to participate in the Congressional Budget Process -- success depends on it.

February 1 - 8, 1985	President submits FY 1986 Budget to Congress.
February - March	House and Senate Budget Committees begin hearings on President's FY 1986 Budget proposal.
*	• Analyses of the budget are prepared by Committee staff, CDF and others. • Testimony and comments from Administration officials and the public are received.

FY 1986 CONGRESSIONAL BUDGET TIMETABLE
(continued)

	The authorizing committees review and analyze individual programs under their jurisdictions and formulate funding recommendations for submission to the Budget Committees. • Some committees hold public hearings and carefully review the needs of programs; others do not. • Committee recommendations are extremely important because they are used as guidelines by the Budget Committees.
March 15	Deadline for submission to Budget Committee of recommendations of authorizing committees.
April - May	Budget Committees conclude hearings and begin development of First Concurrent Budget Resolution. Resolution sets important revenue goals and spending targets. • "Mark-ups" are held at which important votes are taken on budget proposals in each spending category or function. (One category, for example, is called Function 500 - Education, Training, Employment and Social Services.) Full House and Senate consider First Concurrent Budget Resolution. • Alternative resolutions and amendments may be proposed on floor. • House/Senate conference committees convene to work out any differences between respective versions. Another opportunity for advocates to make case.
May 15	Deadline for adoption of First Concurrent Budget Resolution. Deadline for authorizing committees to report out necessary authorization legislation for specific programs.
June - August	The House and Senate Budget Committees may begin work on the Second Concurrent Budget Resolution. • While formally part of the Budget process, in the past few years the Second Concurrent Budget Resolution has been combined with the First Concurrent Budget Resolution.

FY 1986 CONGRESSIONAL BUDGET TIMETABLE
(continued)

*	● If done separately, the Second Concurrent Budget Resolution also sets revenue goals and spending targets, but this time they are binding on Congress.
June - August	The House and Senate Appropriations Subcommittees begin work on 13 bills that appropriate funds for federal programs. Hearings are conducted, testimony is received from Administration officials and public representatives, and mark-up sessions are held. ● Decisions are made concerning FY 1986 spending levels for discretionary programs.
September 15	Deadline for final adoption of Second Concurrent Budget Resolution if not combined with First Concurrent Budget Resolution.
September 15 - 25 *	Reconciliation process may occur. If appropriations bills exceed ceilings in the budget resolution, Congress may order the affected committees to revise their spending to conform or reconcile with the ceilings. ● Major substantive changes may occur in the context of reconciliation.
October 1, 1985	Beginning of FY 1986 ● All regular appropriation bills scheduled for completion by this time. ● Continuing Resolution may be necessary to fund programs and agencies for which regular appropriation legislation has not been completed.

For more details on the Budget and on how you can work to influence it, see Children's Defense Fund, *Children and the Federal Budget: How to Influence the Budget Process* (1980).

1985 CONGRESSIONAL RECESS SCHEDULE

Senate

February 8 - 18
April 4 - 15
May 24 - June 3
June 28 - July 8
August 2 - September 4

House

February 9 - 19
April 5 - April 15
May 25 - May 29
June 29 - July 8
August 3 - September 4

Adjournment target for both Houses is November 1.

Senators and Representatives are often in their home states and districts during recesses. You can visit them in their district offices at these times and tell them your opinions of budget cuts that hurt children. District offices are listed in the phone book.

Appendix C

Additional Resources

SOME OTHER RESOURCE ORGANIZATIONS

For additional information on budget cuts discussed in this book, we are listing a number of organizations that provided background information to us in the areas listed below. At least one person is listed for each organization.

Food Stamps, WIC, Child Nutrition

Center on Budget and Policy Priorities
236 Massachusetts Avenue, N.E., #305
Washington, D.C. 20002
(202) 544-0591
Bob Greenstein, Stefan Harvey

Food Research and Action Center/
National Anti-Hunger Coalition
1319 F Street, N.W., Suite 500
Washington, D.C. 20004
(202) 393-5060
Ed Cooney

Low-Income Energy Assistance

National Consumer Law Center
236 Massachusetts Avenue, N.E., #504
Washington, D.C. 20002
(202) 543-6060
Carol Werner

National Council of Senior Citizens
925 15th Street, N.W.
Washington, D.C. 20005
(202) 347-8800
Eric Shulman

Low-Income Housing

National Low-Income Housing Coalition
323 8th Street, N.E.
Washington, D.C. 20002
(202) 544-2544
Barry Zigas

National Rural Housing Coalition
1016 16th Street, N.W., Suite 8G
Washington, D.C. 20036
(202) 775-0046
Bob Rapoza

Homelessness

Coalition for the Homeless
105 East 22nd Street
New York, New York 10010
(212) 460-8110
Bob Hayes

OTHER RESOURCE ORGANIZATIONS
(continued)

Civil Rights

National Urban League
425 13th Street, N.W., #812
Washington, D.C. 20004
(202) 393-4332
Dr. Douglas Glasgow

Center for National Policy Review
The Catholic University of America
620 Michigan Avenue, N.E.
Washington, D.C. 20064
(202) 832-8525
William Taylor

Leadership Conference on
Civil Rights
2027 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 667-1780
Ralph Neas

NAACP
1025 Vermont Avenue, N.W., #820
Washington, D.C. 20005
(202) 638-2269
Althea Simmons

NAACP Legal Defense and Educational
Fund, Inc.
Washington Office
806 15th Street, N.W., Suite 940
Washington, D.C. 20005
(202) 638-3278
Phyllis P. McClure

Lawyers Committee for Civil
Rights Under Law
1400 I Street, N.W., #400
Washington, D.C. 20005
(202) 371-1212
Bill Robinson

Employment

National Employment Law Project
236 Massachusetts Avenue, N.E., #504
Washington, D.C. 20002
(202) 544-2185
Michelle Branche

Community and Migrant Health Centers

National Association of Community
Mental Health Centers
1625 I Street, N.W., #420
Washington, D.C. 20006
(202) 833-9280
Dan Hawkins

Family Planning

The Alan Guttmacher Institute
2010 Massachusetts Avenue, N.W., #500
Washington, D.C. 20036
(202) 296-4012
Asta Kenney

Block Grants

Coalition on Block Grants and
Human Needs
1000 Wisconsin Avenue, N.W.
Washington, D.C. 20007
(202) 342-0594
Susan Rees

Juvenile Justice, Runaway Youth

National Network of Runaway and
Youth Services
905 6th Street, S.W., #411B
Washington, D.C. 20024
(202) 488-0739
June Bucy

Ad Hoc Coalition for Juvenile
Justice
905 6th Street, S.W., #411
Washington, D.C. 20024
(202) 488-0739
Jan Frohman, Don Mathis, Co-Chairs

OTHER RESOURCE ORGANIZATIONS
(continued)

Military/Defense

Coalition for a New Foreign
and Military Policy
120 Maryland Avenue, N.E.
Washington, D.C. 20002
(202) 546-8400
Michael Ferber

Council on Economic Priorities
84 Fifth Avenue, Room 905
New York, N.Y. 10011
(212) 691-8550
Jonathan Halperin, Bill Hartung

Defense Budget Project
236 Massachusetts Avenue, N.E.
Washington, D.C. 20002
(202) 546-9737
Gordon Adams

SANE
711 G Street, S.E.
Washington, D.C. 20003
(202) 546-7100
Mike Mawby

Council for a Livable World
100 Maryland Avenue, N.E.
Washington, D.C. 20002
(202) 543-4100
Katherine McGraw

Taxes

Citizens for Tax Justice
1313 L Street, N.W., 5th Floor
Washington, D.C. 20005
(202) 898-3369
Robert McIntyre

Taxpayers Committee
133 North Carolina Avenue, S.E.
Washington, D.C. 20003
(202) 546-2442
Samantha Sanchez

SELECTED RECENT PUBLICATIONS ON THE BUDGET AND THE EFFECTS OF PRESIDENT REAGAN'S POLICIES

General

Bawden, D. Lee, Ed. The Social Contract Revisited: Aims and Outcomes of President Reagan's Social Welfare Policy. Washington, D.C.: Urban Institute Press, 1984.

Center for National Policy. Budget and Policy Choices 1983: Taxes, Defense, Entitlements. Washington, D.C.: Center for National Policy, 1983.

Center on Budget and Policy Priorities. Falling Behind: A Report on How Blacks Have Fared Under the Reagan Policies. Washington, D.C.: Center on Budget and Policy Priorities, 1984.

Children's Defense Fund. American Children in Poverty. Washington, D.C.: Children's Defense Fund, 1984.

Coalition on Women and the Budget. Inequality of Sacrifice: The Impact of the Reagan Budget on Women. Washington, D.C.: Coalition on Women and the Budget, 1984.

Goodman, John L., Jr. Public Opinion During the Reagan Administration. Washington, D.C.: Urban Institute Press, 1984.

Hulton, Charles R., and Sawhill, Isabel V., Eds. The Legacy of Reaganomics: Prospects for Long Term Growth. Washington, D.C.: Urban Institute Press, 1984.

Interreligious Task Force on U.S. Food Policy. The Effect of the Administration's Budget, Tax, and Military Policies on Low Income Americans. Washington, D.C.: Interreligious Task Force on U.S. Food Policy, 1983.

Mills, Gregory B., and Palmer, John L. The Deficit Dilemma: Budget Policy in the Reagan Era. Washington, D.C.: Urban Institute Press, 1983.

Mills, Gregory B., and Palmer, John L., Eds. Federal Budget Policy in the 1980s. Washington, D.C.: Urban Institute Press, 1984.

Palmer, John L., and Sawhill, Isabel V., Eds. The Reagan Experiment: An Examination of Economic and Social Policies under the Reagan Administration. Washington, D.C.: Urban Institute Press, 1982.

Pechman, Joseph A., Ed. Setting National Priorities: The 1984 Budget. Washington, D.C.: The Brookings Institution, 1983.

Rivlin, Alice M., Ed. Economic Choices 1984. Washington, D.C.: The Brookings Institution, 1984.

Salamon, Lester M., and Lund, Michael S., Eds. The Reagan Presidency and the Governing of America. Washington, D.C.: Urban Institute Press, 1984.

Sivard, Ruth Leger. World Military and Social Expenditures, 1983: An Annual Report on World Priorities. Washington, D.C.: World Priorities, 1983.

Stone, Charles F., and Sawhill, Isabel V. Economic Policy in the Reagan Years. Washington, D.C.: Urban Institute Press, 1984.

U.S. Congress, Congressional Budget Office. Major Legislative Changes in Human Resources Programs Since January 1981. Washington, D.C.: Congressional Budget Office, 1983.

U.S. Congress, Congressional Budget Office. Poverty Among Children. Washington, D.C.: Congressional Budget Office, 1984.

U.S. Congress, House of Representatives, Committee on Banking, Finance and Urban Affairs. Status of the Economy. Washington, D.C.: U.S. Government Printing Office (hereafter USGPO), 1983.

U.S. Congress, House of Representatives, Committee on the Budget. Overview of the Administration's Entitlement Policies. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on the Budget. Views of Budget Proposals for Fiscal Year 1985. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means. Background Material on Poverty. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Ways and Means. Effects of the Omnibus Budget Reconciliation Act of 1981 (OBRA) Welfare Changes and the Recession on Poverty. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means. Families in Poverty: Changes in the "Safety Net". Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means. Poverty Rate Increase. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means and Committee on Energy and Commerce. Impact of the Administration's Proposed Budget Cuts on Children. Washington, D.C.: USGPO, 1982.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families: Beginning the Assessment. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children's Fears of War. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Families in Crisis: The Private Sector Response. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Supporting a Family: Providing the Basics. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. U.S. Children and their Families: Current Conditions and Recent Trends. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families: 1983: A Year-End Report. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families in the Midwest. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families of the Mountain West. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families in the Northeast. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families in the Southeast. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Children, Youth, and Families in the Southwest. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Federal Programs Affecting Children. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Paternal Absence and Fathers' Roles. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Teenagers in Crisis: Issues and Programs. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Teen Parents and their Children: Issues and Programs. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Working Families: Issues for the 80's. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. The Economic Impact of Federal Deficits, 1984-1989. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. Local Government Finance: A Supply-Side Perspective. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee, and House of Representatives, Committee on Small Business. The New Economy. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Labor and Human Resources. Adolescents in Crisis: Parental Involvement. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Labor and Human Resources. Broken Families, Parts 1 and 2. Washington, D.C.: USGPO, 1983 and 1984.

U.S. Congress, Senate, Committee on Labor and Human Resources. Forum for Families: Quality of American Family Life. Washington, D.C.: USGPO, 1984.

Vroman, Wayne. Wage Inflation: Prospects for Deceleration. Washington, D.C.: Urban Institute Press, 1983.

State and Local Impact

American Federation of State, County, and Municipal Employees. The States, the People, and the Reagan Years: An Analysis of Social Spending Cuts. Washington, D.C.: AFSCME, 1984.

American Federation of State, County, and Municipal Employees and Public Employee Department, AFL-CIO. State of the States. Washington, D.C.: AFSCME and Public Employee Department, AFL-CIO, 1984.

Children's Defense Fund, Ohio. Choices: For Ohio, For Children. Columbus: Children's Defense Fund, 1984.

Children's Defense Fund, Ohio. Day Care: Investing in Ohio's Children. Columbus: Children's Defense Fund, 1985.

Citizen's Commission on Hunger in New England. American Hunger Crisis: Poverty and Health in New England. Boston: Harvard University, School of Public Health, 1984.

Citizen's Committee for Children of New York. No One's in Charge: Homeless Families With Children in Temporary Shelter. New York: Citizen's Committee for Children of New York, 1983.

Commonwealth of Massachusetts, Office for Children. Life Outside the Safety Net: The Status of Berkshire County Children and Families. Pittsfield: Office for Children, 1984.

Connecticut Association for Human Services and The Junior League of Hartford. Growing Up At Risk in Connecticut. Hartford: Connecticut Association for Human Services and The Junior League of Hartford, 1984.

East Harlem Interfaith Welfare Committee. The Tyranny of Indifference and the Myth of a Caring Society: A Study of 669 Households With Children in Food Emergencies in East Harlem in 1982. New York: East Harlem Interfaith Welfare Committee, 1983.

Ellwood, John William, Ed. Reductions in U.S. Domestic Spending: How They Affect State and Local Governments. New Brunswick: Transaction Books, 1982.

Foundation for Child Development. Public Expenditures for Children, 1980-1983, New York City: The Impact of Federal Policies on Services for Children. New York: Foundation for Child Development, 1983.

Gold, Steven D. State and Local Fiscal Relations in the Early 1980s. Washington, D.C.: Urban Institute Press, 1983.

Kentucky Youth Advocates, Inc. Kentucky's Children at Risk: The Inequities in Public Education. Louisville: Kentucky Youth Advocates, Inc., 1984.

Kentucky Youth Advocates, Inc. Jefferson County 1983 Annual Report on Families and Children. Louisville: Kentucky Youth Advocates, Inc., 1983.

Los Angeles Roundtable for Children. A Profile of the Children in Los Angeles County. Los Angeles: Los Angeles Roundtable for Children, School of Social Work, University of Southern California, 1984.

Maine Child Care Task Force. Child Care in Maine: An Emerging Crisis. Augusta: Maine Child Care Task Force, 1984.

Massachusetts Advocacy Center. Our Children at Risk: The Crisis in Public Education. Boston: Massachusetts Advocacy Center, 1984.

Massachusetts Department of Public Health. 1983 Massachusetts Nutrition Survey. Boston: Department of Public Health, 1983.

Nathan, Richard P., Doolittle, Fred C., and Associates. The Consequences of Cuts: The Effects of the Reagan Domestic Program on State and Local Governments. Princeton: Princeton Urban and Regional Research Center, 1983.

National Priorities Project. In Defense of the First District: Local Consequences of the Reagan Budget Shift. Amherst: National Priorities Project, Citizen Involvement Training Project, University of Massachusetts, 1984.

New York State Department of Social Services. Effects of Selected Program Changes on Public Assistance and Food Stamp Cases for January thru June 1982. Albany: Department of Social Services, 1983.

North Carolina Child Advocacy Institute. The State of the Child in North Carolina. Raleigh: North Carolina Child Advocacy Institute, 1984.

Springfield Area Council for Children. All Our Children: A Profile. Springfield: Springfield Area Council for Children, 1984.

Statewide Youth Advocacy, Inc. Preliminary Children's Budget Report. Rochester; Statewide Youth Advocacy, Inc., 1984.

University of Southern Maine. Tracking the Impact of Federal and State AFDC Policy Changes on Families in Maine. Portland: University of Southern Maine, 1983.

Urban Coalition of Minneapolis. The Unseen City: A Status Report on Minorities in Minneapolis. Minneapolis: Urban Coalition of Minneapolis, 1984.

Walker, Bailus. The Impact of Unemployment on the Health of Mothers and Children in Michigan, Recommendations for the Nation. Lansing: Michigan Department of Public Health, 1983.

Health

Bovbjerg, Randall R., and Holahan, John. Medicaid in the Reagan Era: Federal Policy and State Choices. Washington, D.C.: Urban Institute Press, 1982.

Children's Defense Fund. Children and Federal Health Care Cuts: A National Survey of the Impact of Federal Health Budget Reductions on State Maternal and Child Health Services During 1982. Washington, D.C.: Children's Defense Fund, 1983.

Fine, Amy, et al. Monitoring the Health of America's Children: Ten Key Indicators. Chapel Hill: University of North Carolina, Child Health Outcomes Project, 1984.

Food Research and Action Center. New Trends in Infant Mortality: A Report. Washington, D.C.: Food Research and Action Center, 1983.

Food Research and Action Center. The Widening Gap: The Incidence and Distribution of Infant Mortality and Low Birth Weight in the United States 1978-1982. Washington, D.C.: Food Research and Action Center, 1984.

Miller, C. Arden, Coulter, Elizabeth, Schorr, Lisbeth B., and Brooks, Edward. The World Economic Crisis and the Children: United States Case Study, prepared for the United Nations Children's Fund. Chapel

Hill: Department of Maternal and Child Health, School of Public Health, University of North Carolina, 1983.

National Citizens' Board of Inquiry Into Health in America. Health Care USA: 1984, A Citizens' Prescription for Reforming America's Ailing Health Care System. Washington, D.C.: National Citizens' Board of Inquiry Into Health in America, 1984.

U.S. Congress, House of Representatives, Committee on Energy and Commerce. Health Benefits: Loss Due to Unemployment. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Energy and Commerce. Infant Mortality. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Energy and Commerce. Infant Mortality Rates: Failure to Close the Black-White Gap. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Energy and Commerce. Lead Poisoning and Children. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Ways and Means. Health Insurance for the Unemployed. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Prevention Strategies for Healthy Babies and Healthy Children. Washington, D.C.: USGPO, 1983.

U.S. Congress, Joint Economic Committee. Impact of Federal Spending Cuts on Maternal and Child Health Care. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Finance. Health Care for the Economically Disadvantaged. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Finance. New Approaches to Providing Health Care to the Poor: Medicaid Freedom of Choice Waiver Activities. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Finance. Staff Data and Materials Related to Medicaid and Long-Term Care. Washington, D.C.: USGPO, 1983.

U.S. Congress, Senate, Committee on Labor and Human Resources. Health Care Cost: Defining the Issues, 1983. Washington, D.C.: USGPO, 1983.

U.S. Congress, Senate, Committee on Labor and Human Resources. Task Force Report on Pertussis. Washington, D.C.: USGPO, 1983.

Nutrition and Hunger

Center on Budget and Policy Priorities. Soup Lines and Food Baskets: A Survey of Increased Participation in Emergency Food Programs. Washington, D.C.: Center on Budget and Policy Priorities, 1983.

Food Research and Action Center. Still Hungry: A Survey of People in Emergency Food Pantries. Washington, D.C.: Food Research and Action Center, 1983.

United States Conference of Mayors. Hunger in American Cities. Washington, D.C.: United States Conference of Mayors, 1983.

U.S. Congress, House of Representatives. Maintaining Current Efforts in Federal Nutrition Programs to Prevent Increases in Domestic Hunger, H.Rept. 98-336, July 29, 1983.

U.S. Congress, House of Representatives. USDA's Cheese Distribution: A Good Program Gone Wrong, H.Rept. 98-445, October 27, 1983.

U.S. Congress, House of Representatives, Committee on Agriculture. Hunger in the United States and Related Issues. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Agriculture and Committee on Education and Labor, and Senate, Committee on Agriculture, Nutrition, and Forestry. Review of the Report of the President's Task Force on Food Assistance. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Agriculture, Nutrition, and Forestry. Effectiveness of Federal Food, Nutrition, and Surplus Commodity Distribution Programs. Washington, D.C.: USGPO, 1983.

U.S. General Accounting Office. Public and Private Efforts to Feed America's Poor. Washington, D.C.: General Accounting Office, 1983.

Social Services

Center for the Study of Social Policy. Effects of Federal AFDC Policy Changes: A Study of a Federal-State "Partnership". Washington, D.C.: Center for the Study of Social Policy, 1983.

Center for the Study of Social Policy. The Impact of Federal Budget Cuts on AFDC Recipients: A Compendium of Studies. Washington, D.C.: Center for the Study of Social Policy, 1983.

Children's Defense Fund. Child Care: The States' Response: A Survey of State Child Care Policies, 1983-1984. Washington, D.C.: Children's Defense Fund, 1984.

Children's Defense Fund. Children and Federal Child Care Cuts: A National Survey of the Impact of Federal Title XX Cuts on State Child Care Systems, 1981-1983. Washington, D.C.: Children's Defense Fund, 1983.

U.S. Congress, House of Representatives. Child Support Enforcement Amendments of 1983, H.Rept. 98-527, November 16, 1983.

U.S. Congress, House of Representatives, Committee on Education and Labor. Hearing on Domestic Violence. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Education and Labor. Hearing on Child Care Information and Referral Services Act. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means. AFDC and Social Service Bills and Related Oversight Issues. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means. Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Ways and Means. Child Support Enforcement Legislation. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Child Abuse: What We Know About Prevention Strategies. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Child Care: Beginning a National Initiative. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Child Care: Exploring Private and Public Sector Approaches. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Demographic and Social Trends: Implications for Federal Support of Dependent-Care Services for Children and the Elderly. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. Families and Child Care: Improving the Options. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. Problems of Working Women. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Finance. Proposed Restructure of the Child Support Enforcement Program. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on the Judiciary. Deinstitutionalization of Juvenile Nonoffenders. Washington, D.C.: USGPO, 1984.

Education

Children's Defense Fund. An Interim Report on the Implementation of Chapter I. Washington, D.C.: Children's Defense Fund, 1984.

Council of the Great City Schools. Effect of Reagan Budget Proposals on Urban Schools. Washington, D.C.: Council of the Great City Schools, 1983.

National Coalition of Advocates for Students. Barriers to Excellence: Our Children at Risk. Boston: National Coalition of Advocates for Students, 1985.

National Committee for Citizens in Education. No Strings Attached: An Interim Report on the New Education Block Grant. Columbia, Md.: National Committee for Citizens in Education, 1983.

U.S. Congress, House of Representatives. Block Grants have Weakened Federal Programs for the Educationally Disadvantaged, H.Rept. 98-581, November 30, 1983.

U.S. Congress, House of Representatives, Committee on Education and Labor. Illiteracy and the Scope of the Problem in this Country. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Education and Labor. Oversight on School Discipline. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Education and Labor. Oversight on State Education Statistics (Student Performance and Education Funding). Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Government Operations. Federal Education Assistance: Are Block Grants Meeting the Need? Washington, D.C.: USGPO, 1983.

U.S. Congress, Senate, Committee on Finance. Tuition Tax Credit—1983. Washington, D.C.: USGPO, 1983.

U.S. Congress, Senate, Committee on Labor and Human Resources. Oversight of Vocational Education, 1983. Washington, D.C.: USGPO, 1984.

Housing and Homelessness

Struyk, Raymond J., Mayer, Neil S., and Tuccillo, John. Federal Housing Policy at President Reagan's Midterm. Washington, D.C.: Urban Institute Press, 1983.

Tuccillo, John. Housing Finance: A Changing System in the Reagan Era. Washington, D.C.: Urban Institute Press, 1984.

Turner, Margery Austin, and Struyk, Raymond J. Urban Housing in the 1980s: Markets and Policies. Washington, D.C.: Urban Institute Press, 1984.

U.S. Congress, Congressional Budget Office. The Housing Finance System and Federal Policy: Recent Changes and Options for the Future. Washington, D.C.: Congressional Budget Office, 1983.

U.S. Congress, House of Representatives. HUD is Not Adequately Preserving Subsidized Multifamily Housing, H.Rept. 98-477, November 3, 1983.

U.S. Congress, House of Representatives, Committee on Banking, Finance and Urban Affairs. Homelessness in America. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Banking, Finance and Urban Affairs and Committee on Government Operations. *HUD Report on Homelessness*. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Government Operations. *HUD Multifamily Property Disposition Programs*. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Government Operations. *HUD Multifamily Repair and Foreclosure Policies*. Washington, D.C.: USGPO, 1983.

Zais, James P., Struyk, Raymond J., and Thibodeau, Thomas G. *Housing Assistance for Older Americans: The Reagan Prescription*. Washington, D.C.: Urban Institute Press, 1982.

Employment and Unemployment

U.S. Congress, House of Representatives, Committee on Education and Labor. *Unemployment and Its Underlying Causes*. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Committee on Education and Labor. *Oversight Hearing on the Implementation of the Job Training Partnership Act*. Washington, D.C.: USGPO, 1984.

U.S. Congress, House of Representatives, Committee on Government Operations. *Implementation of the Job Training Partnership Act*. Washington, D.C.: USGPO, 1983.

U.S. Congress, House of Representatives, Select Committee on Children, Youth, and Families. *The New Unemployed: Long-Term Consequences for their Families*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. *Total Weeks of Unemployment: A New Measure of Labor Market Distress*. Washington, D.C.: USGPO, 1983.

U.S. Congress, Senate, Committee on Finance. *Unemployment Issues*. Washington, D.C.: USGPO, 1983.

Defense

Cramer, Lori. *Nuts and Bolts at the Pentagon: A Spare Parts Catalog*. Washington, D.C.: Defense Budget Project, 1984.

Defense Budget Project. *The FY 1985 Defense Budget: The Buildup Continues*. Washington, D.C.: Defense Budget Project, 1984.

U.S. Congress, House of Representatives. *Better Justification Needed for Defense Department Support Aircraft*, H.Rept. 98-513, November 9, 1983.

U.S. Congress, House of Representatives. *Failure to Implement Effectively the Defense Department's High Dollar Spare Parts Breakout Program is Costly*, H.Rept. 98-512, November 9, 1983.

U.S. Congress, House of Representatives, Committee on the Budget. *Defense and the Economy: The Issues of Jobs, Inflation, and Long-run Growth*. Washington, D.C.: USGPO, 1984.

U.S. General Accounting Office. *The Coast Guard Headquarters' Aircraft Operations: A Costly Way of Providing Transportation*. Washington, D.C.: General Accounting Office, 1983.

U.S. General Accounting Office. *Information on the Military Services' Enlisted Aide Program*. Washington, D.C.: General Accounting Office, 1983.

U.S. General Accounting Office. *More Effective Use of Audit Reports Needed to Reduce Contract Costs*. Washington, D.C.: General Accounting Office, 1983.

U.S. General Accounting Office. *Recommended Dollar Reductions to DOD's Fiscal Year 1984 Ammunition Procurement and Production Base Programs*. Washington, D.C.: General Accounting Office, 1983.

U.S. General Accounting Office. *Use of Government Vehicles for Home-to-Work Transportation*. Washington, D.C.: General Accounting Office, 1983.

Taxes

Bradley, Bill. *The Fair Tax*. New York: Pocket Books, 1984.

Democracy Project. *Less Taxing Alternatives*. Washington, D.C.: Democracy Project, 1984.

McIntyre, Robert S., and Folen, Robert. *Corporate Income Taxes in the Reagan Years: A Study of Three Years of Legalized Corporate Tax Avoidance*. Washington, D.C.: Citizens for Tax Justice, 1984.

McIntyre, Robert S., and Tipps, Dean C. *Inequity and Decline: How the Reagan Tax Policies Are Affecting the American Taxpayer and the Economy*. Washington, D.C.: Center on Budget and Policy Priorities, 1983.

Pechman, Joseph A. *Who Paid the Taxes, 1966-85?* Washington, D.C.: The Brookings Institution, 1985.

U.S. Congress, Joint Committee on Taxation. *Analysis of Proposals Relating to Comprehensive Tax Reform*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Committee on Taxation. *Analysis of Senate Proposals Relating to Comprehensive Tax Reform*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Committee on Taxation. *Estimates of Federal Tax Expenditures for Fiscal Years 1984-1989*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Committee on Taxation. *Federal Tax Treatment of Families Below the Poverty Line*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Committee on Taxation. *Overview of the Tax Treatment of Fringe Benefits*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. *Fairness and the Reagan Tax Cuts*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. *Tax Avoidance, Tax Equity, and Tax Revenues: The Impact of Marginal Income Tax Rate Changes in the United States, 1954-82*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. *Tax Reform*. Washington, D.C.: USGPO, 1984.

U.S. Department of the Treasury, Office of the Secretary. *Tax Reform for Fairness, Simplicity, and Economic Growth: The Treasury Department Report to the President*. Washington, D.C.: USGPO, 1984.

Miscellaneous

Alliance for Justice. *Contempt for Law: Excluding the Public from the Rulemaking Process*. Washington, D.C.: Alliance for Justice, 1983.

Eads, George C., and Fix, Michael. *The Reagan Regulatory Strategy: An Assessment*. Washington, D.C.: Urban Institute Press, 1984.

Eads, George C., and Fix, Michael. *Relief or Reform? Reagan's Regulatory Dilemma*. Washington, D.C.: Urban Institute Press, 1984.

Grant, James P. *The State of the World's Children 1984*. New York: United Nations Children's Fund (UNICEF), 1984.

Portney, Paul, Ed. *Natural Resources and the Environment: The Reagan Approach*. Washington, D.C.: Urban Institute Press, 1984.

Storey, James R. *Older Americans in the Reagan Era: Impacts of Federal Policy Changes*. Washington, D.C.: Urban Institute Press, 1983.

U.S. Congress, House of Representatives, Committee on the Judiciary. *After the Voting Rights Act: Registration Barriers*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. *Economic Change, Physical Illness, Mental Illness, and Social Deviance*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Joint Economic Committee. *Estimating the Effects of Economic Change on National Health and Social Well-Being*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on the Judiciary. *Civil Rights Act of 1984*. Washington, D.C.: USGPO, 1984.

U.S. Congress, Senate, Committee on Labor and Human Resources. *Reauthorization of the Low-Income Home Energy Assistance Act, 1984*. Washington, D.C.: USGPO, 1984.

STAFF OF THE CHILDREN'S DEFENSE FUND

Office of the President

Marian Wright Edelman
Beverley Gallimore
Eve Wilkins
Julia Scott
Roberta Ross
Diane Williams
Peggy Lampl
Daniel Yohalem
Pamela Atwater

Administration

Hughette McKay
Carol Jameson
Michael Brower
LaVerne Ross
Janice Euell
Dierdre Howe
Kenneth Thurston
Kay Whitehead

PROGRAM DIVISION

Child Welfare/Mental Health

MaryLee Allen
Nickie Tobin

Health

Sara Rosenbaum
Kay Johnson
Sandra Key

Child Care and Family Support Services

Helen Blank
Cynthia Simms

Education

Noe Medina
Carol Holland
Daian Al-Amin

Government Affairs

Mary Bourdette
Lisa Mihaly
Ruth Felter

Legal

James Weill
Carol Golubock
Nancy Ebb
Barbara Bush
Camille Fountain
Debbie Briggs

State and Local Affairs

Judy Weitz
Jean Boone
Esther Herst
Joan Williams
Shaunta Harris

Research

Paul V. Smith
Janet Simons
Micaiah Gilliam

Public Affairs/Publications

Evelyn S. Lieberman
Virginia Witt
Kathleen Eriser
Peggy Jarvis
Cindy Goodson
Orlando Bugarin

Mississippi Office

Rims Barber
Robert Bell
Margrit Garner
Carol Blackmon

Ohio Office

Mark Real
Mary Eng
Terri Caito
Tamara Rohner

Volunteers

Nancy Folger

CDF BOARD OF DIRECTORS

Lisle C. Carter, Jr. (Chairman)
Attorney, Verner, Liipfert,
Bernhard, McPherson, & Hand
Washington, DC

J. LeVonne Chambers
Attorney, Chambers, Ferguson,
Watt, Wallas, Adkins, & Fuller
and President, NAACP Legal
Defense and Educational Fund
Charlotte, North Carolina

Laura Rockefeller Chasin
Social Worker
Cambridge, Massachusetts

Marian Wright Edelman
President
Children's Defense Fund
Washington, DC

Winifred Green
President, Southern Coalition
for Educational Equity
Jackson, Mississippi

Dorothy I. Height
National President, National
Council of Negro Women
Washington, DC

M. William Howard, Jr.
Immediate Past President,
National Council of Churches
Princeton, New Jersey

Hubert E. Jones
Dean, School of Social Work,
Boston University; and Founder,
Massachusetts Advocacy Center
Boston, Massachusetts

Vernon E. Jordan, Jr.
Attorney, Adkin, Gump, Strauss,
Hauer & Feld
Washington, DC

James A. Joseph
President, Council on
Foundations, Inc.
Washington, DC

Ruby G. Martin
Attorney
Richmond, Virginia

Charles E. Merrill, Jr.
Founder, Commonwealth
School
Boston, Massachusetts

Joseph L. Rauh, Jr.
Attorney, Rauh, Silard &
Lichtman
Washington, DC

Hillary Rodham Clinton
Attorney, The Rose Law
Firm
Little Rock, Arkansas

Donna E. Shalala
President, Hunter College
New York, New York

Susan Thomases
Attorney, Willkie, Farr &
Gallagher
New York, New York

Thomas A. Troyer
Attorney, Caplin & Drysdale
Washington, DC

Dick Warden
Legislative Director, United
Auto Workers
Washington, DC

Nan Waterman
Member and Former Chair,
National Governing Board,
Common Cause
Santa Fe, New Mexico

Jean Young
Chair, Commission on the
International Year of the
Child
Atlanta, Georgia

$12.95 ISSN 0736-6701

Every $1.00 invested in preschool education for a child saves $3.00 in later costs for special education or health care. Every $9.00 invested in proper food for a poor child saves $1,400 in hospital costs for treating malnutrition.

Do you want to know what investments the federal government is planning for America's children right now? To find out, read the one clear, comprehensive analysis of the new federal budget's impact on children, families, and the poor—***A Children's Defense Budget: An Analysis of the Federal FY 1986 Budget and Children.***

A *Children's Defense Budget* explains America's investment strategies for children and the nation's priorities for FY 1986. It tells you what the President's budget proposals mean for child care, education, health care, child welfare, adolescent pregnancy prevention, and other important programs serving children, families, and the poor in your state and community. It also lays out a positive alternative program to protect children and their families in the 99th Congress. It's called the Children's Survival Bill.

◆

> **"Dozens of 'reports' cross my desk every day, 95 percent of them provoking not even a yawn. But every now and then I read one that angers me—the most recent being the report of the Children's Defense Fund about the impact of budget cuts on the nation's neediest youngsters. That report exposes as a cruel lie the pretense of this administration that nobody really has been hurt by Reaganomics."**
>
> —Carl T. Rowan
> Syndicated Columnist

◆

OTHER HELPFUL NEW PUBLICATIONS
by the Children's Defense Fund:

A Comprehensive Prenatal Care Kit: An invaluable resource explaining how prenatal care can save babies' lives, how you can start a prenatal care campaign in your community, and state by state and big city data on infant mortality, prenatal care, low birthweight, teen pregnancy, Medicaid, and AFDC policies.

Black and White Children in America—Key Facts: A comprehensive statistical portrait of the overall status of children and their families today, and the comparative status of black and white children. It examines child poverty, family income, family structure, education, adolescent pregnancy, prenatal care, and many other topics. It combines and updates the popular *Portrait of Inequality* and *Key Facts*.

CDF REPORTS: A monthly newsletter to help you stay informed about the latest developments affecting children.

Voting Records: How Members of Congress Stand on Children in 1984: A complete listing of how your representatives voted on crucial children's programs in the past year.

Lobbying and Political Activity for Nonprofits: A brief guide for tax-exempt groups who need to know about federal laws and regulations on lobbying and political activity.

Children's Defense Fund
122 C Street NW • Washington, D.C. 20001 • (202) 628-8787